

**Housing Authority of Baltimore City
Moving To Work Plans
FY2007 and FY2008**

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**Housing Authority of Baltimore City
Moving To Work Plans
FY2007 and FY2008**

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**Housing Authority of Baltimore City
Moving To Work Plans
Fiscal Years 2007 and 2008**

Introduction and Overview

Effective March 31, 2005, the Housing Authority of Baltimore City (HABC) entered into a Moving To Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD). MTW is a national demonstration program established by Congress that allows Public Housing Authorities to develop and implement innovative and flexible solutions to local housing needs. Under the MTW Demonstration Program, HABC is one of only thirty-two Housing Authorities nationwide to be given broad latitude to establish locally determined policies and procedures outside of the standard public housing and Housing Choice Voucher Program regulatory framework.

Under the terms of the MTW Agreement between HABC and HUD, HABC is required to prepare and publish an Annual Plan summarizing activities and expenditures for the forthcoming fiscal year, as well as an Annual Report summarizing actual activities and expenditures for each completed fiscal year. HABC's first Annual Plan (for the Fiscal Year 2006 period) was approved by the HABC Board of Commissioners and submitted to HUD in October, 2005. HUD requested and HABC provided further clarification of the Annual Plan in November 2005. As of the submission date of this document (March 2007), HABC has not received HUD approval of the first Annual Plan. HABC has been hampered in its ability to implement planned MTW initiatives as a result of HUD's inaction. Despite the lack of an approved MTW Annual Plan, in September 2006, HABC submitted its MTW Annual Report to HUD, which described progress made during Fiscal Year 2006.

Based on consultation with HUD, HABC deferred submission of a second MTW Annual Plan pending HUD approval of the first Annual Plan. However, in light of the continued uncertainty regarding HUD's approval timetable, HABC in consultation with HUD agreed to prepare and submit this document, which serves as HABC's Annual Plan for two periods: Fiscal Year 2007 (the period July 1, 2006 through June 30, 2007) and Fiscal Year 2008 (the period July 1, 2007 through June 30, 2008). In this document, HABC describes its proposed plans, activities and outcomes for both FY2007 and FY2008.

In requesting MTW designation, HABC expressed the intention to implement a number of initiatives in both the HCV and public housing programs to support neighborhood revitalization, reduce administrative costs and promote resident economic self sufficiency. These proposed long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, improve quality/accuracy and minimize the burden imposed by this process on resident households;
- Implementing modified project-based leasing programs to support City-sponsored targeted neighborhood revitalization;
- Streamlining income, deduction and rent calculation policies and procedures;

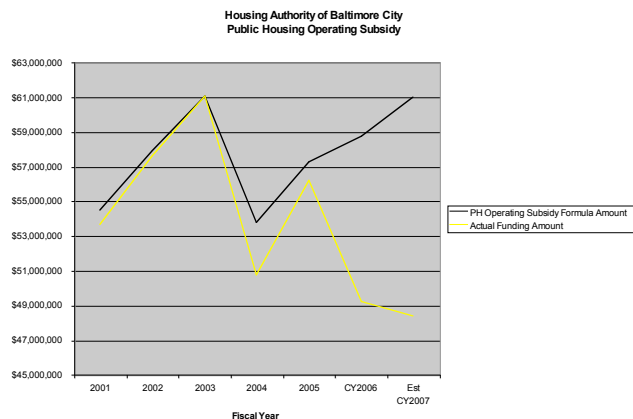
- Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs;
- Expanding resident access to employment, training and other supportive service programs; and,
- Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self sufficiency components

HABC anticipates addressing each of these areas as well as additional initiatives over the seven-year term of the MTW Agreement. During the second and third years of MTW designation, HABC staff will continue planning and implementation efforts described in the first MTW Annual Plan as well as additional initiatives described in this document.

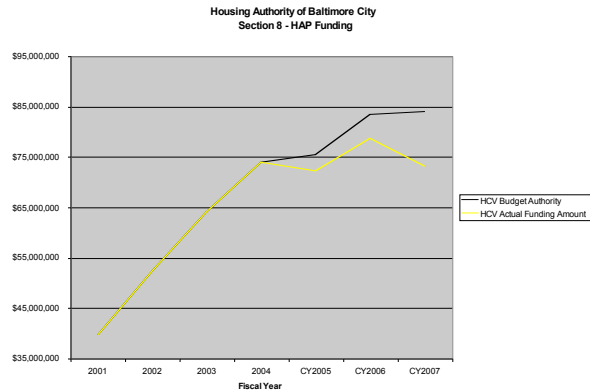
HABC's Challenge

As noted in the prior MTW Annual Plan, while MTW provides substantial regulatory relief and program flexibility, it does not address the fundamental problem facing HABC of inadequate and unpredictable funding. The vast majority of HABC's resources come from three HUD funding sources - Public Housing Operating Funds, Housing Assistance Payments and the Capital Fund -, all of which are under funded relative to actual need. In addition to the under funding problem, HABC must cope with continued uncertainty regarding funding amounts which greatly complicates the planning and budgeting processes. For example, funding for calendar year 2007 was not finalized until February 2007.

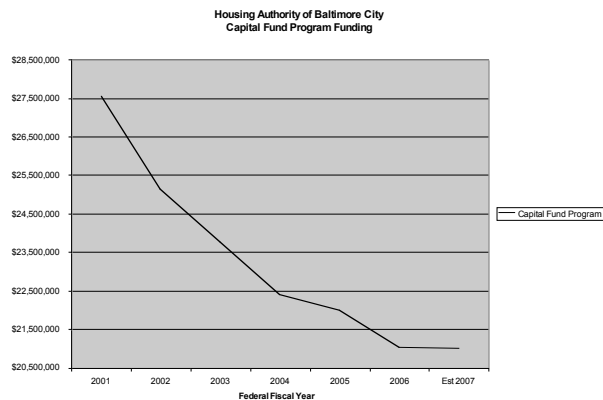
With respect to Public Housing Operating Funds, HABC has not received full funding to support public housing operating costs such as maintenance and utilities since Fiscal Year 2003. Since that time, HABC Operating Fund resources have been cut by \$26.2 million below the amount it is due based on the federal funding formula. For calendar years 2006-2007 alone, the net loss to the agency is more than \$22 million. HABC has taken aggressive measures to operate with reduced funding including eliminating 292 staff positions during this period; however, many of HABC's costs, particularly utility costs, have continued to increase.



Funding to support new leasing activities has largely been eliminated and only limited funding is available to support existing leased units in the Housing Choice Voucher Program. HABC has not received full funding for HCVP since Fiscal Year 2004. Cumulatively, the reduced funding since that time amounts to over \$18.9 million, of which more than \$15.7 million has been cut in calendar years 2006- 2007.



HABC faces an even more dire set of financial circumstances with respect to the Capital Fund. The capital investment needs for HABC are staggering in light of the limited resources available to address these needs. For example, in the aggregate, HABC's portfolio of public housing units requires greater than \$862 million in capital investment over the seven-year life of this Demonstration simply to maintain its inventory in standard condition. These needs are in stark contrast to the approximately \$22 million in Capital Fund program grant funds expected annually in each of the next several years of which approximately \$6.2 million will be used to pay debt service on HABC's bond issuance. HABC has not received 100% of its formula Capital Funds since Fiscal Year 2001. The net loss of funds equals more than \$29.8 million of which more than \$13.2 million is from calendar years 2006-2007.



Thus, HABC does not have sufficient resources to address the needs of any of its major programs. Given this situation, HABC's challenge is to utilize QHWRRA reforms and the specific tools available under the MTW Demonstration to:

- Maximize the leveraging and effectiveness of capital fund expenditures;
- Decrease dependency on direct Federal housing funds;
- Incentivize private investment across the public housing portfolio for capital improvements and housing development activities; and,
- Harness the economic discipline inherent in such investment to ensure economic diversity and quality property management over the life of the real estate asset.

Through MTW, the agency intends to seek out aggressively, alternative funding sources including private investments in order to address critical needs, maintain safe, quality housing developments, and support neighborhood revitalization. While HABC anticipates some level of success in these fundraising efforts, it is clear that significant new government resources will be needed in order to protect the long term viability and affordability of the housing portfolio.

Finally, HABC is subject to two (2) court-ordered consent decrees – the partial consent decree entered in *Thompson, et al. v. HUD, et al.* (C.A. No. MJG 95-309) in 1996 and the consent decree entered in *Bailey, et al. v. HABC* (C.A. No. JFM-02 225) and *United States of America v. HABC* (C.A. No. JFM-04-03107) in 2004. The plaintiffs in the *Thompson* case are current and former African American families who are either residents of or applicants for HABC public housing. Permanent funding has been provided for only 353 Thompson vouchers out of an ultimate total of over 2000.

The plaintiffs in the *Bailey* case are persons with disabilities who are current or former residents of or applicants for HABC's housing programs. In order to address its obligations under *Bailey*, HABC utilizes a strategic approach to demolish or dispose of all non-viable inventory while simultaneously shifting Section 8 funds temporarily away from HAP to address the capital needs associated with the *Bailey* Consent Decree requirements in public housing. The results of this strategy are two-fold; first is the obvious outcome of HABC meeting its obligations under *Bailey* but this will also allow HABC to increase the overall supply of viable and occupied units in public housing. Throughout this Plan, HABC will continue to describe the activities being undertaken in accordance with both consent decrees.

Balancing these issues and maximizing the number of households served will be extremely difficult in light of the inflationary nature of the rental market. During the term of the MTW Demonstration, HABC intends to continue to advocate aggressively for additional funding. Further, HABC will implement a range of procedural changes designed to streamline program administration and manage cost increases in the HCV program.

Reductions in available funding will also continue to have a severe impact on HABC's ability to promote and support resident economic self-sufficiency, youth development activities, and independent living for seniors and people with disabilities. As described below, HABC serves the poorest and most vulnerable residents in the region. This includes a resident population that is extremely low income, minority and unemployed. HABC's resident population also includes households headed by seniors and non-elderly persons with disabilities. Significant challenges face the agency in working to support resident needs and to promote successful social integration at mixed population buildings.

MTW Year One Progress

During the first year of MTW participation, HABC made significant progress towards implementing approved revitalization activities, strengthening management systems, and ensuring sound financial systems and practices. Highlights of the first year of MTW activity include:

- HABC met or exceeded all of the agreed upon MTW benchmarks. These benchmarks relate to critical operational areas including occupancy, rent collections, financial management, maintenance work orders, unit inspections and resident economic self-sufficiency. As detailed below, HABC projects that it will meet or exceed all of its MTW benchmarks during the two year period covered by this Plan.
- Overall, HABC was able to achieve a 35% reduction in violent crimes within its public housing developments through a carefully coordinated series of initiatives involving HABC and the Baltimore City Police Department. Within the four sites where HABC implemented new CCTV systems, violent crime rates fell by 42%.

A range of initiatives led to significant improvement in HABC's annual rent recertifications. Staff training, process improvement and refinement, implementation of EIV, better performance measurement tools, and consistent performance monitoring led to significantly higher production.

- Also during MTW Year One, HABC invested approximately \$29 million in capital improvements at existing public housing sites as part of system-wide upgrade efforts. The most significant focus of capital improvement activities involved completion of 158 certified UFAS units and 66 near-compliant units as part of the Bailey Consent Decree requirements. Elevator modernization work was completed at nine sites, and fire management activities completed at five sites.
- HABC completed construction and occupancy of the Flag House HOPE VI Phase 2 rental. Flag House involves approximately \$90 million in investments of which \$26.6 million are private equity. HABC also selected developers for the redevelopment of the Freedom and Claremont sites into 172 rental and 189 homeownership units. Two Low Income Housing Tax Credit Allocations have been awarded to date to this development.
- As part of its *Neighborhood Reinvestment Program*, HABC continued to work with private development partners and Baltimore neighborhood groups to recapitalize the distressed scattered site public housing stock. Last year, HABC began rehabilitation of Reservoir Hill and Sharp-Leadenhall units and procured a private development partner for the Barclay Neighborhood project. Together these projects involve approximately \$20 million in investments, of which more than 75% is from private equity.
- HABC made major strides in improving its services to both applicants and residents with disabilities. The agency added two handicap-accessible vans to provide transportation to applicants to developments on Home Selection Day leasing tours and to other HABC sponsored events. HABC continues to refine

and improve its reasonable accommodations policies and procedures in compliance with Section 504 and the Bailey Consent Decree. Staff also began developing a Reasonable Accommodation computer application to track compliance, effectiveness, and efficiency in the responses to requests for reasonable accommodations. This project will be completed during FY 2007.

- HABC provided an extensive array of self-sufficiency and other services to thousands of residents over the past year. These activities involved all age groups, seniors, people with disabilities and other community residents. Many activities were implemented in concert with HABC's network of local partners.

MTW Year Two and Year Three Initiatives

HABC's Fiscal Years 2007 and 2008 MTW program will build on and expand the initiatives begun during the past year. Major initiatives will include:

- Achievement of all required MTW benchmarks in the areas of leasing, rent collections, work order processing, inspections, self sufficiency initiatives and financial management
- Development of an agency-wide strategic plan
- Ongoing implementation of capital improvement activities throughout the City including activities required under existing Consent Decrees
- Completion of disposition of non-viable scattered sites inventory and demolition of non-viable conventional public housing (subject to availability of funds)
- Ongoing implementation of the Neighborhood Reinvestment Program
- Implementation of the new two-year recertification process
- Implementation of new initiatives to improve management and resident relations in mixed population buildings
- Implementation of revised Admissions and Continued Occupancy policies and procedures
- Implementation of revised Housing Choice Voucher Program Administrative Plan policies and procedures
- Continued construction and leasing activities to comply with consent decree requirements subject to funding availability
- Implementation of a revised Family Self Sufficiency program including expanding the program to serve public housing residents
- Implementation of a revised Community Service policy

Further information on each initiative is provided in the relevant sections of this document.

MTW Plan

This document represents HABC's second and third Moving To Work Annual Plans, covering the period from July 1, 2006 through June 30, 2008. The Annual Plan includes information on programs, budgets and initiatives planned by HABC for Fiscal Year 2007 and 2008. Projected outcomes and activities are listed separately for each of the two years covered by this Plan. It includes statistics and narrative information for the following categories:

- Households Served
- Occupancy Policies
- Housing Stock/Inventory
- Sources and Amounts of Funding
- Uses of Funds
- Capital Planning
- Management Information for Owned/Managed Units
- Management Information for Leased Housing
- Resident Programs
- Procurement Policy

Each of the above categories is covered in the following chapters. HABC has also incorporated relevant supporting documentation in the Appendices and Volumes 2 and 3 of the MTW Plan. This includes revised documents: Admissions and Continued Occupancy Policy and Housing Choice Voucher Program Administrative Plan. These supporting documents reflect HABC's initial MTW modifications to existing programs.

Public Participation

As noted above, HABC developed this MTW Plan without having received approval of its first MTW Annual Plan. However, it builds directly on years of joint planning conducted by staff and resident leadership. Over the past year, HABC convened fourteen (14) meetings with the RAB, concerning the MTW program prior to issuance of a draft MTW Plan. They were designed to:

- Actively solicit resident input into the initial Annual Plan prior to drafting of the Plan; and,
- Provide detailed information regarding the contents of the draft Annual Plans prior to publication for general public comment.

The MTW meetings with the RAB were held to discuss resident ideas for the MTW demonstration and to formulate the plan.

This MTW Plan reflects resident input. Further, HABC continues to involve residents on an ongoing basis in defining the scope and focus of the MTW Demonstration. In addition to the specific MTW planning meetings, staff and residents have met regularly

over the past year to develop the capital plan, resident service and other priorities included in this document.

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I. Households Served

This MTW Annual Plan provides statistical information on the households currently served through HABC's Public Housing and Section 8 Housing Choice Voucher programs as well as projections for the number of households to be served during Fiscal Year 2007 (MTW Year Two) and Fiscal Year 2008 (MTW Year Three). The profile of current households represents a snapshot as of June 30, 2006.

Occupied Units

As of June 30, 2006 HABC served a total of 19,811 households in the Public Housing and Section 8 Housing Choice Voucher (HCV) programs. As shown in Table 1-1, of this total, approximately 51.7% of households served participate in the HCV program compared to 48.3% served in the public housing program.

Table 1-1
Occupied Units as of June 30, 2006

	PH	% of Total	HCVP*	% of Total	Total	% of Total
TOT OCCUPIED	9,568	48.3%	10,243	51.7%	19,811	
0 BR	1,168	12.2%	429	4.2%	1,597	8.1%
1 BR	3,383	35.4%	1,911	18.7%	5,294	26.7%
2 BR	2,625	27.4%	3,303	32.2%	5,928	29.9%
3 BR	1,730	18.1%	3,766	36.8%	5,496	27.7%
4 BR	496	5.2%	717	7.0%	1,213	6.1%
5 BR	141	1.5%	102	1.0%	243	1.2%
6 BR	25	0.3%	15	0.1%	40	0.2%

** Excludes 1,854 units of Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers*

HABC serves a significant number of large households: between the two major housing programs, 35% (n= 6,992) of households reside in units of 3 or more bedrooms. Additional detail on housing occupancy is available in the Appendix One tables.

HABC projects that adjusted occupancy in public housing will increase, to 93% during Fiscal Year 2007. This represents a net increase of 534 occupied units. Detail on targeted vacancy rates by property is shown in Appendix One. By the end of Fiscal Year 2008, adjusted occupancy will reach 94%, also reflected in Appendix One. This represents a net increase of an additional 302 occupied units from June 30, 2007 to June 30, 2008.

The occupancy projections for the Public Housing Program, while based on historical data, are best estimates subject to a number of factors that are not entirely predictable. For example, transfers remain a significant factor in occupancy outcomes. Current residents have requested and received transfers to renovated wheel-chair accessible units. As the last 200-plus units are completed, we may see greater percentages of such transfers (as opposed to move-ins by applicants) as eligible residents are transferred to those units. Another factor that may impact HABC's ability to reach the 93% goal is terminations for nonpayment of rent. HABC has phased in an automated system that has increased the efficiency of the failure to pay rent process. When fully implemented, public housing may experience a significant increase in evictions for nonpayment of rent, which could result in lower occupancy percentages.

Household Types

As detailed in Table 1-2, HABC serves a population that includes approximately 22% seniors, 25% non-elderly persons with disabilities and 53% family households.

Table 1-2
Household Types as of June 30, 2006

	PH	% of Total	HCV* [*]	% of Total	Total	% of Total
Total Households	9,568		10,243		19,811	
Elderly	3,134	32.8%	1,308	12.8%	4,442	22.4%
Non Elderly Disabled	2,381	24.9%	2,496	24.4%	4,877	24.6%
Other	4,053	42.4%	6,439	62.9%	10,492	53.0%

** Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers.*

During Fiscal Years 2007 and 2008, HABC projects that the composition of household types will remain relatively comparable, with some increase projected in the percentage and number of non-elderly disabled households served.

Household Incomes

HABC's clients represent the poorest segment of the Baltimore housing market. As shown on Table 1-3, approximately 91% of all HABC households have household incomes less than 30% of Area Median Income. Of 19,811 households served, only 15 have household incomes of greater than 80% of Area Median Income.

Table 1-3
Household Incomes as of June 30, 2006

	PH	% of Total	HCVP*	% of Total	Total	% of Total
Total Occupied Units	9,568		10,243		19,811	
Less than 30% of AMI	8,777	91.7%	9,311	90.9%	18,088	91.3%
30 - 50 % of AMI	634	6.6%	896	8.7%	1,530	7.7%
50 - 80 % of AMI	121	1.3%	36	0.4%	157	0.8%
Greater than 80% of AMI	15	0.2%	0	0.0%	15	0.1%

* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers.

In light of the waiting list data discussed below, HABC anticipates no significant change to household incomes during Fiscal Years 2007 and 2008.

Race/Ethnicity

Of the households served by HABC's programs, minority persons head more than 95%. White household heads represent approximately 4% of all HABC households served. Less than 1% of all HABC household heads are Hispanic. In light of current waiting list demographics, HABC projects no significant change to this racial and ethnic composition during Fiscal Years 2007 and 2008.

Table 1-4
Head of Household Race as of June 30, 2006

	PH	% of Total	HCVP*	% of Total	Total	% of Total
Households	9,568		10,243		19,811	
African American	9,143	95.6%	9,575	93.5%	18,718	94.5%
White	239	2.5%	616	6.0%	855	4.3%
American Indian	15	0.2%	18	0.2%	33	0.2%
Asian	146	1.5%	7	0.1%	153	0.8%
Native Hawaiian	6	0.1%	4	0.0%	10	0.1%
No Race Code	0	0.0%	0	0.0%	0	0.0%
Multi Race Code	23	0.2%	23	0.2%	46	0.2%

Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers.

Table 1-5
Head of Household Ethnicity as of June 30, 2006

	PH	% of Total	HCV*P	% of Total	Total	% of Total
Households	9,568		10,243		19,811	
Hispanic	12	0.1%	59	0.6%	71	0.4%
Non Hispanic	9,556	99.9%	10,184	99.4%	19,740	99.6%
No Ethnicity	0	0.0%	0	0.0%	0	0.0%

** Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers.*

Households on Waiting List

The City of Baltimore has a substantial unmet need for affordable housing. Tables 1-6 through 1-10 provide a summary description of the households currently on HABC's waiting list as of June 2006. More than 29,000 households currently reside on HABC's waiting lists for the Public Housing and HCV programs. Note that the Housing Choice Voucher program waiting list is closed to new applicants except for people with disabilities and emergency referrals. HABC anticipates that the size of the waiting list will continue to grow during Fiscal Years 2007 and 2008 due to the intense demand for affordable housing in the Baltimore area.

Table 1-6: Waiting List Households

	PH	% of Total	HCV*P	% of Total	Both	% of Total	Total	% of Total
TOT	12,463		8,629		8,385		29,477	
0 BR	29	0.2%	98	1.1%	38	0.5%	165	0.6%
1 BR	6,594	52.9%	5,057	58.6%	3,541	42.2%	15,192	51.5%
2 BR	3,887	31.2%	2,271	26.3%	3,023	36.1%	9,181	31.1%
3 BR	1,660	13.3%	1,011	11.7%	1,479	17.6%	4,150	14.1%
4 BR	254	2.0%	169	2.0%	270	3.2%	693	2.4%
5 BR	34	0.3%	20	0.2%	30	0.4%	84	0.3%
6+ BR	5	0.0%	3	0.0%	4	0.0%	12	0.0%

Table 1-7 Waiting List by Household Type

	PH	% of Total	HCV* [*]	% of Total	Both	% of Total	Total	% of Total
Households	12,463		8,629		8,385		29,477	
Elderly	857	6.9%	655	7.6%	283	3.4%	1,795	6.1%
Non Elderly Disabled	3,415	27.4%	5,088	59.0%	4,223	50.4%	12,726	43.2%
Other	8,191	65.7%	2,886	33.4%	3,879	46.3%	14,956	50.7%

Table 1-8: Waiting List by Area Median Income Group

	PH	% of Total	HCV* [*]	% of Total	Both	% of Total	Total	% of Total
Households	12,463		8,629		8,385		29,477	
Less than 30% of AMI	11,949	95.9%	8,309	96.3%	8,018	95.6%	28,276	95.9%
30 - 50 % of AMI	469	3.8%	297	3.4%	329	3.9%	1,095	3.7%
50 - 80 % of AMI	36	0.3%	21	0.2%	34	0.4%	91	0.3%
Greater than 80% of AMI	9	0.1%	2	0.0%	4	0.0%	15	0.1%

Table 1-9: Waiting List by Race

	PH	% of Total	HCV* [*]	% of Total	Both	% of Total	Total	% of Total
Households	12,463		8,629		8,385		29,477	
No Race Code	125	1.0%	5	0.1%	10	0.1%	140	0.5%
White	574	4.6%	606	7.0%	362	4.3%	1,542	5.2%
African American	11,574	92.9%	7,942	92.0%	7,944	94.7%	27,460	93.2%
American Indian	37	0.3%	36	0.4%	27	0.3%	100	0.3%
Asian	66	0.5%	20	0.2%	18	0.2%	104	0.4%
Native Hawaiian	87	0.7%	20	0.2%	24	0.3%	131	0.4%

Table 1-10: Waiting List by Ethnicity

	PH	% of Total	HCVP*	% of Total	Both	% of Total	Total	% of Total
Households	12,463		8,629		8,385		29,477	
No Ethnicity	116	0.9%	2	0.0%	5	0.1%	123	0.4%
Hispanic	63	0.5%	153	1.8%	70	0.8%	286	1.0%
Non Hispanic	12,284	98.6%	8,474	98.2%	8,310	99.1%	29,068	98.6%

II. Occupancy Policies

Public Housing

HABC's policies for the Public Housing Program were revised and included in the previously submitted Volume 3 of the FY 2006 MTW Annual Plan, the Admissions and Continued Occupancy Plan (ACOP). The FY 2006 ACOP incorporated a series of modifications that were developed prior to MTW designation in consultation with HABC resident leadership, as well as new modifications using MTW regulatory flexibility. All occupancy policies are consistent with HABC's MTW Agreement. HABC proposes to implement additional changes to the ACOP as described below.

Housing Choice Voucher Program

Volume 2 of the previously submitted FY 2006 Annual Plan included a revised Housing Choice Voucher Program (HCVP) Administrative Plan and a revised Special Administrative Plan relevant to HABC Consent Decree initiatives. HABC proposes to implement additional changes to the HCVP Administrative Plan and the Special Administrative Plan as described below. Complete copies of both documents that incorporated these revisions are included as Appendixes to the MTW Annual Plan.

Special Category Vouchers:

HABC is authorized to create special categories of applicants and/or program participants who apply for a voucher in order to meet special circumstances (e.g., consent decree requirements, etc), and to develop and implement specific rules for accepting and processing applications from individuals identified as members of these special categories. Vouchers or other assistance provided to Special Category participants may be restricted in their use. Examples of such restrictions may include use at specific sites or for certain HABC programs (such as the Homeownership Program). Special Category vouchers include those listed below:

- Applicants and/or program participants who are purchasers of a home under the Flag House Stipulation and Order entered in *Thompson et al. v. HUD et al.* ("Flag Priority Buyers"). HABC will offer a preference for the homeownership option to applicant families eligible for these homeownership programs.
- Applicants and/or program participants who are enrolled in the Innovative Housing Institute ("IHI") homeownership program established pursuant to the Thompson Partial Consent Decree ("IHI Priority Buyers") (the Administrative Plan for Thompson v. HUD Partial Consent Decree Section 8 Programs ("Special Administrative Plan") establishes the policies for the IHI homeownership program). HABC will offer a preference for the homeownership option to applicant families eligible for these homeownership programs.
- Seventy-five Housing Choice Vouchers will be set-aside for issuance to families with children with elevated lead levels as determined by the Baltimore City Health Department and/or the Maryland Department of the Environment (MDE).

Admissions and Occupancy

The Violence Against Women Act of 2005 (VAWA) provides for changes in the admissions and occupancy policies of HABC's HCVP and Public Housing programs and gives greater protection to victims of domestic violence. VAWA provides that an individual's status as a victim of domestic violence, dating violence, or stalking will not be the basis for denial of admission or denial of housing assistance. Likewise, one incident of actual or threatened domestic violence, dating violence or stalking will not qualify as a serious or repeated violation of the lease or good cause for terminating the assistance, tenancy, or occupancy rights of the victim as under the "One Strike" policy. Before complying with VAWA, HABC may ask an applicant or participant for documentation that he or she is, or has been a victim of domestic violence, dating violence or stalking. The individual will satisfy HABC's request by producing one or more of the following types of documentation, including but not limited to: federal, state, or local police or court records; statements from an employee, agent or volunteer of a victim service provider, an attorney or medical professional from whom the victim has sought assistance in addressing domestic violence, dating violence, or stalking, or the effects of the abuse; a statement from the victim certifying that he or she is a victim of domestic violence to include the name of the offender.

If the individual obtains a statement from an employee, agent or volunteer of a victim service provider, an attorney, or medical professional, they must attest under penalty of perjury that the professional believes that the incident or incidents in question are bona fide incidents of abuse and must include the name of the offender. The victim must also sign or attest to the documentation provided by the third party.

All information will be kept confidential including the individual's status as a victim of domestic violence, dating violence or stalking.

Currently, HABC's Office of Resident Services refers to a law enforcement agency or to a victim service provider participants in the public housing program who are victims of domestic violence, dating violence or stalking.

The HABC Dwelling Lease and Grievance Procedure

HABC has made revisions to its lease and to the Grievance Procedure. A summary of those changes can be found in the attached Appendices.

Waiting Lists

Applicants may apply for housing assistance under any and all HABC-provided programs for which they qualify. When an applicant is offered and accepts housing assistance under any of these programs, the household's application is considered satisfied and will be withdrawn from all HABC application waiting lists.

After meeting minimum lease/contract/program requirements related to acceptance of and participation in an HABC-provided housing assistance program (usually completion of an initial lease term and participant in good standing), the program participant may submit a new application requesting housing assistance under other HABC programs.

The above policy regarding applicants on our waiting lists is included in the HABC Admissions and Continued Occupancy Policy and the HCVP Administrative Plan.

During Fiscal Year 2007, HABC's waiting list for the Housing Choice Voucher program will remain closed to new applicants except for people with disabilities and emergency referrals. HABC will explore changes to the Public Housing waiting list procedures in FY2008, as described in Chapter VII. During FY 08 HABC may consider re-opening the HCVP wait list

Site-Based Waiting Lists

Site-based waiting lists will be maintained at two (2) HABC's mixed finance redevelopment sites of existing ACC units: specifically Reservoir Hill (approved by HUD September 2005 and Sharp Leadenhall (approved by HUD June 2006). In addition two (2) of HABC's mixed finance, mixed-income developments of formerly distressed sites have also received HUD approval for a site-based waiting list (Albemarle Square Phase I approved December 2003, Albemarle Square Phase II approved December 2004, and Broadway Overlook in compliance with the partial consent decrees in *Thompson v. HUD*).

HABC may permit site-based waiting lists at future mixed-finance and/or mixed-income real estate projects.

Home Ownership

HABC is amending the Housing Choice Voucher Administrative Plan to reflect several changes to the Homeownership Program and also amending its Section 32 Homeownership Program for Public Housing residents. The proposed changes are necessary to maintain the integrity and success of the programs. The proposed changes will:

- Clarify the type of "eligible units" allowable under the homeownership program;
- Correct language regarding "HABC's search and purchase requirements";
- Add language under the "Inspection and Contract" heading regarding a lead paint risk assessment test;
- Prohibit two types of financing instruments and delete a portion of the language regarding seller financing;
- Clarify the "maximum term of homeownership assistance" in regard to homeowners who will be eligible for continued assistance;
- Define the HABC allowances for routine maintenance and major repair/replacement;
- Include new language regarding a "resale provision" in favor of HABC;
- Include new language, which clarifies when a family can move with continued assistance;
- Include new language under the heading of "Continued Assistance" regarding the employment status of a participant and termination of housing assistance.

III. Housing Stock/Inventory

As of June 30, 2006 HABC's existing inventory includes a total of 14,140 public housing units (including privately managed sites) and 10,243 Housing Choice Voucher program units as indicated in Table 3-1 below.

Table 3-1: Housing Inventory

	PH	% of Total	HCVP*	% of Total	Total	% of Total
TOT	14,140		10,243		24,383	
0 BR	1,371	9.7%	429	4.2%	1,800	7.4%
1 BR	4,402	31.1%	1,911	18.7%	6,313	25.9%
2 BR	4,124	29.2%	3,303	32.2%	7,427	30.5%
3 BR	2,823	20.0%	3,766	36.8%	6,589	27.0%
4 BR	1,018	7.2%	717	7.0%	1,735	7.1%
5 BR	343	2.4%	102	1.0%	445	1.8%
6+ BR	59	0.4%	15	0.1%	74	0.3%

* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers.

The inventory of public housing units includes vacant and non-viable units and vacant units scheduled for UFAS-related rehabilitation. This results in an adjusted occupancy level of 88.9% as of June 30, 2006.

Public Housing Inventory

During Fiscal Years 2007 and 2008, HABC projects changes to the existing public housing inventory through both the mixed finance development of units and through the demolition or disposition of obsolete units. Units created through mixed finance development are expected to include the following:

**Table 3-2
Projected Mixed Finance Unit Production**

Project Name	ACC Units		LIHTC		HCV		Total		Total
	FY'07	FY'08	FY'07	FY'08	FY'07	FY'08	FY'07	FY'08	
Reservoir Hill	17	0	21	0	0	0	38	0	38
Sharp Leadenhall	0	23	0	8	0	8	0	31	31
58 Unit Project	0	25	0	0	0	0	0	25	25
22 Thompson	0	8	0	0	0	0	0	8	8
Barclay	0	43	0	0	0	0	0	43	43
Orchard Ridge Rental I	0	0	0	80	0	50	0	80	80
Total	17	99	21	88	0	58	38	187	225

*Some projects have PBS8 units that overlap with LIHTC only units

In addition, HABC has or will seek demolition approval for vacant and obsolete ACC units at several sites in FY 2007 and FY 2008:

**Table 3-3
Projected Demolition/Disposition Changes**

Project Name	Projected Units Demolition/Disposition	Status
Cherry Hill 12 (Partial Demo)	113	Approved by HUD- Demolition Complete
*Claremont Homes (Low-Rise)	292	Approved by HUD
O'Donnell Heights (Partial Demo)	498	Planned – Pending HUD approval – 1 ST Phase demolition anticipated for 4 th Q 2007
**Barclay	138	Planned – 1st Q 2008 to be submitted to HUD
Mt. Winans (Partial Demo)	88	Planned – 4 th Q 2007 to be submitted to HUD
Westport Homes Ext. (Demo)	232	Planned – 4th Q 2007 to be submitted to HUD
Somerset Court (Demo)	257	Planned – 4th Q 2007 to be submitted to HUD
Total	1618	

*Disposition -- Demolition will occur following disposition to Development entity.

**Disposition – Renovation to occur following disposition to Development entity.

HABC will continue to work with its respective communities to plan for density reduction at the Latrobe, and Gilmore housing developments.

Finally, HABC projects that a total of 1,372 vacant and obsolete scattered site ACC units will be conveyed to the City for demolition, re-development, or land-banking, as part of the Project 5000 program. Of the 1,372 Scattered Sites units designated for demolition and/or disposition for Project 5000 purposes, 907 units have been approved by HUD for disposition and an additional 169 are pending approval at HUD. HABC is in the process of finalizing identification of the remaining 324 units for submission to HUD for disposition approval.

Section 8 Inventory

The following table provides a summary of HABC's Section 8 Housing Choice Voucher program including units under lease as of June 30, 2006 and projections for leasing activity: a) through June 30, 2007 and b) through June 30, 2008. Note that projected leasing activity is subject to availability of sufficient funding.

**Table 3-4
Section 8 Program Inventory**

Program Type	Units Leased as of June 30, 2006	Projected Leased Units through June 30, 2007	Projected Leased Units through June 30, 2008
Tenant Based Vouchers (Non Consent Decree)	9,219	8526	8601
Tenant Based Vouchers – Thompson	586	829	1189
Tenant Based Vouchers – Bailey	0	70	268
Project Based Vouchers – Thompson	230	292	352
Project Based Vouchers – Bailey	0	46	148
Project Based Vouchers – Non Consent Decree	618	699	777
Moderate Rehab Program	443	393	393
New Construction/Substantial Rehab	1038	1038	1038
Total	12,134	11,893	12,766

Conventional (Non-Consent Decree) Tenant-Based Programs:

While HABC continued to enter into contracts for new program participants, the attrition rate (households leaving the program) outpaced the number of new program participants in FY 2007. In addition available funding was re-allocated to satisfy creation and renovation of public housing units for compliance with the Bailey Consent Decree and to renovate and re-occupy other long-term vacant but viable public housing units. Once the public housing units are turned the funds will go back to Section 8. As such, HABC anticipates an increase in HCVP utilization by the end of FY 2008.

Consent Decree:

The anticipated increase in total households served (as indicated in Table 3-4) will be primarily a result of lease-ups for households participating in the tenant-based and project-based Bailey and Thompson consent decree programs.

IV. Sources and Amounts of Funding

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HABC's fiscal year covers the period of July 1 through June 30. The financial plan includes two major components – Moving-to-Work (MTW) and non-MTW. The MTW Block Grant includes three major funding sources:

- Low Income Public Housing (LIPH)
- Section 8 Housing Choice Voucher (HCV)
- Capital Fund Program (CFP) /Replacement Housing Factor Fund (RHFF)

Programs that are not included in the MTW Block Grant include the following funding sources:

- Section 8 Moderate Rehabilitation
- Section 8 Substantial Rehabilitation
- Section 8 New Construction
- HOPE VI
- Loan proceeds from the sale of bonds by the State of Maryland
- Energy Performance Contract from energy conservation program
- Various Resident Services grants
- City of Baltimore – Housing and Community Development (HCD) reimbursable expenses to HABC and the Affordable Housing Program funds
- Business and Development Activities.

A. All sources and amounts of funding included in the MTW Budget

<u>Source in the Budget:</u>	<u>FY 2007</u>	<u>FY 2008</u>
Dwelling Rental Income	\$24,500,000	\$27,662,340
Public Housing Subsidies	\$58,048,821	\$60,977,686
Capital Fund/RHFF Block Grant	\$41,832,080	\$43,204,629
Section 8 Housing Choice Voucher	\$91,003,447	\$90,730,252
Section 8 HCV Project Reserves	\$10,131,348	\$12,132,500
Other Income	\$600,589	\$1,440,271
Investment Income	\$2,000,000	\$2,860,000
Total Consolidated MTW Revenue	\$228,116,285	\$239,007,678

Notes:

1. Increase in Dwelling Rental Income is planned for meeting the MTW occupancy benchmarks at 93% in FY 2007 and 94% in FY 2008.

2. Funding from the Section 8 HCV Project Reserves is projected for the Thompson Consent Decree HAP and Quadel's operating cost due to inadequate funding from HUD

B. Sources and amounts of special purpose funds outside the MTW Budget

Source in the Budget:	FY 2007	FY 2008
S/8 Mod Rehab, Sub Rehab & N.C.	\$9,278,411	\$8,705,665
HOPE VI	\$2,981,621	\$1,460,000
Loan Proceeds (State of Maryland Bonds)	\$17,487,507	\$0
Energy Performance Contract	\$0	\$39,655,000
Resident Services Grants	\$3,462,901	\$4,289,613
City of Baltimore - HCD pass thru Expenses	\$13,888,888	\$12,666,546
City of Baltimore - Affordable Housing Prog	\$0	\$12,246,156
Business Activities	\$2,297,673	\$2,300,000
Development Activities	\$13,995,675	\$10,669,000
Special Purpose Funds outside MTW	\$63,392,676	\$91,991,980

Notes:

The changes between funding for FY 07 and FY is primarily due to the following:

1. State Capital Anticipation Loan Proceeds from the sale of bonds by the State of Maryland will be fully obligated by June 30, 2007.
2. The estimated Energy Performance Contract source of fund is pending upon HUD's approval. Funding is generated by cost effective energy conservation measures that will reduce its utility costs. The utility savings will be used to finance a 20-year municipal lease to provide for various facility improvements at five housing sites – Latrobe Homes, Gilmore Homes, Westport Homes, Cherry Hill Homes and Brooklyn Homes.
3. HABC is seeking to secure funding from the City of Baltimore – Housing and Community Development Affordable Housing Program for various capital improvements. Detail of uses is discussed in Section VI – Capital Planning.
4. Development Activities include source of fund seeking from City of Baltimore Motor Vehicle Revenue (MVR), Water and Waste Water (WWW) and Capital Improvement Program (CIP).

C. Consolidated Budget Statement

Source in the Budget:	FY 2007	FY 2008
Consolidated MTW Revenue	\$228,116,285	\$239,007,678
Special Purpose Funds outside MTW	\$63,392,676	\$91,991,980
Total Revenues	\$291,508,961	\$330,999,658

Budget Highlights

Effect of Federal Funding Cuts

The Low Income Public Housing operating subsidies were funded at 88.8% for calendar year 2005, 86.02% for calendar year 2006 and are estimated at 82.9% for calendar year 2007. Due to the proration factors, HABC incurs a loss of funding for a total of \$25,563,155 in three years.

In addition, Section 8 Housing Choice Voucher (HCV) Housing Assistance Payment (HAP) is funded at 95.917% for calendar year 2005, 94.599% for calendar year 2006 and 88.476% for calendar year 2007. Due to the proration factors, HABC incurs a loss of funding for a total of \$18,923,615 in three years.

Capital Improvements

HABC has an aggressive capital improvement plan. In FY 2008, over \$100 million construction activities have been planned for handicap accessibility modifications, vacancy renovation, energy efficient unit preparation, marketability and security improvements, replacing windows, carpet and flooring, etc. In addition to Capital Fund Program and Replacement Housing Factor Fund, HABC is seeking to secure funds from the City of Baltimore's Affordable Housing Program Fund. Funding from the Energy Performance Contract is pending upon HUD's approval. In comparison with FY 2007, total projected funding for construction activities in FY 2008 have an increase of about \$36 million. Detail of specific capital improvement activities is discussed in Section VI – Capital Planning.

Project Reserves

Pursuant to the MTW Agreement, the ACC Project Reserve is available to HABC for all MTW eligible activities, including resources needed to address existing consent decrees. The budgeted reserves thus far have been projected to pay for the Thompson consent decree vouchers due to HUD's inadequate funding each year. Until negotiations are concluded

with HUD, the U.S. Department of Justice and the Thompson plaintiffs, HABC is unable to specify how the remaining ACC Project Reserve funds will be utilized except as noted above in the budgets.

This financial plan is compiled based on current information. It is subject to revision as conditions and/or assumptions change.

V. Uses of Funding

HABC's projected total uses of funds are \$291,508,961 for the fiscal year ending June 30, 2007 and \$330,999,658 for the fiscal year ending June 30, 2008. Total uses are equal to total funding source as discussed in Section IV. The budgets are presented "in balance".

Similar to Section IV, the Uses of Funds include two major components – Moving-to-Work (MTW) and non-MTW. The MTW Block Grant has three major programs – Low Income Public Housing (LIPH), Section 8 Housing Choice Voucher (HCV) and the Capital Fund Program (CFP). Non-MTW includes the Agency's other funding components – Section 8 Moderate Rehabilitation, Substantial Rehabilitation, New Construction, HOPE VI, Loan proceeds from the sale of bonds by the State of Maryland, various Resident Services grants, the reimbursable expense budget and Affordable Housing Program from the City of Baltimore – Department of Housing and Community Development (DHCD), Business and Development Activities.

Previous Year Expenditures by Line Items

<u>Actual</u>	<u>FY 2006</u>
Administrative and Housing Management	\$41,712,492
Tenant Services	\$6,699,589
Utilities	\$29,253,290
Maintenance Operations	\$28,103,368
Protective Services	\$3,001,090
General Expenses and Casualty Losses	\$16,507,820
Debt Service Repayment	\$6,517,117
Housing Assistance Payments	\$79,993,369
Construction (Hard) Costs	\$48,737,908
Total Uses of Funds - MTW and Non-MTW	\$260,526,043

Planned Expenditures by Line Items

Budget	FY 2007	FY 2008
Administrative and Housing Management	\$38,621,530	\$40,543,496
Tenant Services	\$7,099,722	\$7,122,844
Utilities	\$31,806,023	\$34,205,901
Maintenance Operations	\$32,087,261	\$31,268,442
Protective Services	\$2,611,713	\$2,676,618
General Expenses and Casualty Losses	\$10,114,485	\$12,564,140
Debt Service Repayment	\$6,517,117	\$6,517,117
Housing Assistance Payments	\$95,482,118	\$92,651,033
Construction (Hard) Costs	\$67,168,992	\$103,450,067
Total Planned Uses of Fund	\$291,508,961	\$330,999,658

Description of Proposed Activities and Changes

1. Administrative and Housing Management include salaries and benefits for administrative and housing management staff in all programs. Also included are administrative operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies. In addition, about \$7 million pass-through dollar-for-dollar reimbursements from City of Baltimore-Department of Housing and Community Development are included for direct City expenses. An increase of this expense category in FY 2008 is due to more aggressive construction activities as discussed below.

2. Tenant Services include salaries, benefits and related materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to resident of public housing.

3. Utilities include expenses for water, electricity, gas, steam and fuel consumed in the Housing Authority. Due to increased utility rates, total utility expenses are projected to increase by more than \$2.4 million in FY 2008. There is not adequate funding from HUD to pay for the increased utility costs in both FY 2007 and FY 2008.

4. Maintenance Operations include salaries and benefits of maintenance workers assigned to the public housing units. It includes maintenance materials, maintenance contracts and special purpose funds used for this purpose. This category also includes outside contract costs to privatized firms who run some of HABC's public housing and affordable housing units.

5. Protective Services include salaries, benefits and other related costs of building monitors assigned to public housing developments.

6. General Expenses and Casualty Losses (noncapitalized) include insurance premiums for General Liability, Worker's Compensation, automobile, etc. This category also includes collection losses for uncollected rent, extraordinary maintenance and the deductible amounts not covered by the insurance carriers for

casualty losses incurred by HABC. The increase is primarily due to increased insurance premiums and increased contract costs under the AHI contract funded by HOPE VI.

7. Debt Service Repayment is amount from Capital Fund Program to repay the State Capital Anticipation Loan Proceeds from the sale of bonds by the State of Maryland. HABC uses this loan to accelerate needed repairs and renovations in public housing developments.

8. Housing Assistance Payments include rent subsidies paid to landlords and utility assistance paid to tenants by the Section 8 programs. A decrease in this category is due to a temporary change of HABC's lease-up plan to allow funding available for other MTW eligible activities. HABC has planned for using portion of the HCV HAP funding to pay for, among other things, the handicap accessibility modifications. Detail of these capital improvements is discussed in Section VI – Capital Planning.

9. Construction (Hard) Costs include activities planned for handicap accessibility modifications, vacancy renovation, energy efficient unit preparation, marketability and security improvements, replacing windows, carpet and flooring, etc. In comparison with FY 2007, total projected construction activities in FY 2008 have an increase of about \$36 million. These increased activities are pending upon available funds from the City of Baltimore's Affordable Housing Program and HUD's approval of the Energy Performance Contract. Detail of specific capital improvement activities is discussed in Chapter VI – Capital Planning.

Reserve Balance and Adequacy

	MTW	Special Purpose Fund	Total
Beginning Operating Reserve	\$39,371,678	\$47,757,361	\$87,129,039
Ending Operating Reserve	\$39,371,678	\$47,757,361	\$87,129,039

HABC believes that the overall Operating Reserve levels are adequate. Under the MTW Block Grant, the Operating Reserves are projected in the total amount of \$39,371,678, or about 20% of the total Low Income Public Housing and the Section 8 Housing Choice Voucher budgets. There is no Operating Reserve in the Capital Fund Program since it is a HUD reimbursable grant program.

The Operating Reserves in the Special Purpose Fund programs primarily come from the Business Activities, which have substantial amounts of Notes and Loan Receivables as a result of the previous development activities. The Reserves correspond to these receivable balances on the financial records. They are not available for other HABC's uses.

This financial plan is compiled based on current information. It is subject to revision as conditions and/or assumptions change.

VI. Capital Planning

Capital Improvements Program

HABC has provided an update to the Asset Management Table (included as Appendix Two), which describes the current status of each site, outlines certain risk factors that will be monitored over the life of the Demonstration, and describes possible outcomes of these risks. It is designed to serve as the conceptual basis for future years' planning. The Asset Management table identifies sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future. However, it is subject to periodic change based on priorities and available resources.

Major Capital Needs and Projects, Estimated Costs and Proposed Timetables

The Capital Needs at HABC properties have continued to exceed by extraordinary margins, Capital funding allocations from HUD. With continued reductions in Capital funding, HABC will be utilizing the MTW Block Grant (Capital Fund, Housing Choice Voucher Program and Replacement Housing Factor Funds) in addition to non-MTW funding (Baltimore City, State Capital Bond Financing Program and Energy Performance Contracting) to complete its major initiatives.

HABC's six (6) major priorities for Capital activities are: (1) 504 UFAS and ADA Compliance, (2) security and safety, (3) marketability and viability of existing portfolio, (4) improvement of major systems, infrastructure, extraordinary maintenance and installation of energy conservation measures; , (5) demolition of distressed housing developments; and (6) creation of economically diverse stable neighborhoods, using the mixed finance development approach by leveraging our MTW Block Grant Funds. The FY 2007 and FY 2008 MTW Capital Budget reflects these priorities. As additional needs are brought to our attention, or as HABC rethinks the repositioning of its inventory, or in response to emergency conditions, we may adjust our current plans. Additionally, other properties in HABC's portfolio, which are not currently listed, may, in the future, require MTW Capital expenditures and HABC may execute these Capital projects in 2007 and 2008.

It should be noted that some expenditures may take place in FY 2007 as a result of projects planned for and begun in FY 2005 and FY 2006, but completed and paid for in FY 2007 and FY 2008. Finally, HABC has let a number of contracts that will be started in FY 07 and FY 08 but will not be fully expended until FY 2007 - 2010. These commitments are required in order to ensure that HABC meets its Consent Decree and MTW obligations and benchmarks.

Pursuant to the MTW Agreement, as mentioned above, HABC has combined all current and prior year capital funds, including RHFF funds, into the MTW Block Grant.

**Table 6-1
Planned Expenditures**

Capital Projects in FY 2007 and FY 2008	FY 2007 Expenditures	FY 2008 Expenditures	Property
Handicap Accessibility Modifications	\$27,005,114	\$17,646,964	Allendale, Arbor Oaks, Bel-Park Tower, Bernard E. Mason Apartments, Brentwood, Brooklyn Homes, Chase House, Cherry Hill Homes, Douglass Homes, Ellerslie Apartments, Gilmor Homes, Govans Manor, Hollins House, Latrobe Homes, Lakeview Towers, Laurens House, McCulloh Homes & Ext. (High and Low Rise), Monument East, Oswego Mall, Perkins Homes, Pleasantview Gardens, Poe Homes, Primrose Place, Rosemont Towers, Scattered Sites, Spencer Gardens, West Twenty and Wyman House, other developments as determined necessary and associated A & E fees.
Vacancy Renovation	\$11,200,622	\$908,076	Brooklyn Homes, Cherry Hill Homes, Douglass Homes, Gilmor Homes, Latrobe Homes, McCulloh Homes & Ext. (High and Low Rise), Mt. Winans, O'Donnell Heights, Rosemont, Dukeland, Somerset Extension, Scattered Sites, Spencer Gardens, Perkins Homes, Scattered Sites, Westport, , other developments as determined necessary and associated A & E fees.
Marketability and Security and Safety Improvements	\$1,379,507	\$5,484,194	Latrobe Homes, Cherry Hill Homes, McCulloh Homes and Extension, Perkins Homes, Carey House, Claremont Homes Ext., Homewood House, Laurens House, Monument East, Wyman House, Chase House, B.E. Mason, Bel-Park Towers, Brentwood, Ellerslie Apartments, Rosemont Towers, Primrose Place, Hollins House, Allendale, Gilmor Homes, Govans Manor, Lakeview Towers, O'Donnell Heights, Pleasant View Gardens, West Twenty, Somerset Court, Scattered Sites, other developments as determined necessary and associated A & E fees.
Major Systems, Infrastructure, Energy	\$3,899,715	\$48,396,281	B. E. Mason, Bel-Park Tower, Brooklyn Homes, Chase House, Cherry Hill Homes, Douglass Homes, Ellerslie Apts, Gilmor

Conservation Measures and Extraordinary Maintenance Repairs			Homes, Lakeview Towers, Latrobe Homes, Heritage Day Care Center, Homewood House, Monument East, Oswego Mall, Rosemont/Dukeland Apts., Scattered Sites, Westport Homes, Somerset Ext. O'Donnell Heights, Hollins House, Scattered Sites, Spencer Gardens, Wyman House, other developments as determined necessary and associated A & E fees.
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Capital Projects in FY 2007	FY 2007 Expenditures	FY 2008 Expenditures	Property
Demolition of Distressed Properties	\$7,366,123	\$16,447,724	Cherry Hill 12 (113 Units), O'Donnell Heights (498 Units), Mt. Winans (88 Units), Westport Homes Ext. (232 Units), Claremont Homes (292), Somerset Court (257 Units) and associated sediment control and A & E fees.
Redevelopment Projects	\$4,682,777	\$9,401,813	Albermarle Square, Barclay Neighborhood, Broadway Replacement Housing Initiative, Preston Street Neighborhood Initiative, Thompson (22 units), Greenmount West Neighborhood, Reservoir Hill Neighborhood, Sharp-Leadenhall Neighborhood and associated development soft costs.

504 Accessibility Improvements

HABC has met its calendar year 2006 requirements and will also meet its calendar year 2007 requirements (such as, (i) modifying existing units and sites to meet UFAS and near-compliant regulations; (ii) modifying units to meet reasonable accommodation and immediate need requests; and (iii) modifying common areas to meet UFAS regulations) under the Bailey Consent Decree (the "Consent Decree") for providing public housing choices for low-income persons with disabilities. The narrative above describes the projects that will be under construction during the FY 2007 and FY 2008. It is anticipated that HABC will achieve its goal of completing 125 additional UFAS units.

Security Camera Installation

HABC has installed fixed exterior security cameras at four housing sites (Latrobe, Gilmor, Perkins and McCulloh) during calendar year 2005 and the first quarter of calendar year 2006. In CY 2007, HABC installed fixed exterior security cameras at Pleasant View Gardens and will also install security cameras at Cherry Hill Homes. In calendar years 2007 and 2008, HABC will begin to implement additional installation of security cameras in all of HABC's mixed population buildings.

Energy Service Company ("ESCO")

Due to the age of HABC's boilers, roofs, electrical systems and other infrastructure systems, HABC's consumption of energy is high and will continue to increase unless improvements to these systems are implemented. In addition, due to the inefficiencies of these systems, HABC's energy costs will also increase.

Under Section III of the MTW Agreement, HABC has the right to enter into a 12-year agreement with an Energy Service Company (ESCO). However, PIH Notice 2006-06 (corrected notice) extends the term of the agreement to twenty (20) years. Subsequently, HABC has requested a waiver in order to enter into a 20-year agreement with an ESCO.

HABC will implement a comprehensive energy reduction capital improvement program in order to lower energy and consumption costs. This is achieved by first performing an energy audit and then by financing the capital improvements from the savings realized due to the anticipated reduction in energy consumption. 24 CFR §965.302 states "*All PHA's shall complete an energy audit for each PHA-owned project under management, not less than once every five years. Standards for energy audits shall be equivalent to State standards for energy audits. Energy audits shall analyze all of the energy conservation measures and the payback period for these measures that are pertinent to the type of building and equipment operated by the PHA.*" HABC has contracted with an ESCO vendor who has completed an EPC Energy Audit. The EPC energy audit has identified all building and site components, which, if replaced or upgraded, will decrease energy consumption. Energy conservation methods that will reduce consumption are also part of the audit findings. The annual savings from the reduced energy cost will pay for the debt service that is required to fund the capital improvements. HABC is in the process of starting a four phased EPC (Energy Performance Contracting) that involves (i) finalizing energy conservation measures ("ECM"); (ii) securing funds for the energy reduction capital improvements; (iii) the implementation of the ECM's in phase one; and (iv) developing excessive consumption charges and utility allowances, which may include air conditioning in selected develops. Based upon the energy audit findings, and following HUD approval, HABC expects to begin the phase one EPC in the second quarter of calendar year 2007.

Where tenant consumption exceeds reasonable utility allowances and where the ESCO/HABC is installing check-meters as an energy conservation measure, HABC may treat tenant excess utility payments as utility savings and not other income and use these savings for debt service and project-related costs.

Development Program – Long Term Replacement Housing Needs

HABC, in conjunction with the City of Baltimore proposes to develop approximately 3511 housing units, including 1194 low-income rental units over the next ten years to replace severely distressed units in its current inventory. All units will be developed using the mixed finance development method, and all units will be developed to create economically diverse, stable neighborhoods. The 1194 low-income rental units will use public housing funds or HCV resources, as appropriate, and/or low income housing tax credits to finance their development. Approximately 529 affordable for-sale units will be

developed using MTW and non-MTW sources including HOPE VI and private funding. The balance of the units will be developed with private funding. Combined, the mix will provide public housing eligible households with expanded housing choices in stable, diverse neighborhoods, and will increase choices for non-elderly persons with disabilities and households that need UFAS compliant accessible features.

HABC will work with each of its mixed-finance developers to ensure implementation of a multi-language approach to marketing so that non-English speaking populations are aware of affordable housing opportunities.

Replacement Housing Production

HABC's replacement housing development under MTW accommodates four distinct strategies which include MTW funding and proposed private leveraged funding as summarized in Table 6-2. HABC requests continued funding of 1st and 2nd increment Replacement Housing Factor Funds to meet our preservation and replacement housing goals.

I. Neighborhood Reinvestment

Under the *Neighborhood Reinvestment Program*, HABC will work with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in gentrifying neighborhoods, ensuring economic diversity. This program achieves the mixed-finance re-development of existing ACC units. The paragraphs below describe FY 07 and FY 08 goals and activities:

1. **Reservoir Hill** – HABC began rehabilitation of Reservoir Hill units (40 ACC units) in FY 06. All The units at Reservoir Hill have been completed as of December 31st 2006. The project will be completely closed out in the first quarter of FY 08.
2. **Sharp Leadenhall** – HABC began rehabilitation of Sharp-Leadenhall units (23 ACC and 8 HCV units) in FY 06. Construction will continue through FY 07 and FY 08 and will be complete by September 2007.
3. **Barclay** – HABC, procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. In FY 07 Telesis will produce a final concept plan for redevelopment. Telesis has been working with the community and is taking steps to finalize this development plan, the phasing and timing. Telesis will apply for Low Income Housing Tax Credits and will close the financing for the first rental phase in FY 08.
4. **Greenmount West-** In FY 08, HABC intends to begin a planning process around the redevelopment of scattered site public housing units in this neighborhood which may lead to the issuance of an RFQ for development services. MTW Capital funds may be utilized for the retention of existing public housing units in the neighborhood.

II. New Housing Production Program

HABC's *New Housing Production Program* for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 07 and FY 08, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city:

- 1. Uplands** – HABC envisions using other sources of funds, to build a certain number of project-based Section 8 units and additional affordable for-sale units at the Uplands Apartment site. These affordable units will provide replacement housing for households displaced by the closing of the former FHA development on site as well as HABC households displaced by current and previous demolition activities. This project will require approval of the US District Court. HABC expects such approval to be imminent. In May of 2003, the City acquired the 52-acre Uplands Apartments site from the U.S. Department of Housing and Urban Development ("HUD") with the intent of developing a new mixed income neighborhood that offers a modern, urban rental and for-sale housing product for families of all income levels. Baltimore Housing engaged national award winning design and market analysis firms to master plan the site with the full engagement of the surrounding community. The master plan calls for the development of 1,146 new units, including affordable and market-rate for-sale units. The plan is urban and the housing types are modern, including small-lot singles, row houses and duplexes, grand four-plex "mansionettes", and rental and for-sale multi-family buildings of higher density along Edmondson Avenue. The development scale and product mix are strongly supported by a market analysis that revealed significant regional demand for an urban neighborhood housing product distinct from the suburbs. This project will include the City's acquisition of additional adjacent sites in order to build over 1100 units of mixed-income, rental and for-sale housing. The development will begin construction in FY 2008. Proposals are currently under review and a developer will soon be selected. Demolition activities will commence in FY 08 and will be completed in phases with a potential demolition phase overlapping to FY 09.
- 2. East Baltimore** – The 80-acre East Baltimore Initiative includes up to 1,500 new and rehabilitated residential units, new green space, and up to 8,000 new jobs and new retail uses. As part of a large-scale public and private investment in Life-Sciences research, commercial, and mixed income residential development adjacent to the Johns Hopkins Medical Campus, HABC anticipates Project Based Section 8 support for approximately 200 low-income rental units over the course of the 1500-unit buildout. These units will provide replacement rental housing for low-income households displaced by redevelopment activities. The use of ACC subsidy for this project will require approval of the US District Court.
- 3. Orchard Ridge (formerly Claremont/Freedom)** – The Claremont/Freedom redevelopment project anticipates a total of 521 newly constructed or renovated units and a new community center. FY 07 goals include completion of the initiated demolition of Claremont. Construction on the

Freedom Site will commence in the first quarter of FY 08. Freedom will contain 172 mixed income units of which 100 are rental and 72 are for-sale. The Claremont site will feature 72 affordable rental units and 117 homeownership units and rehabilitation or demolition and new construction of the existing 152-unit apartment building with up to a possible 160 new units. A total of 70 of the family rental units and up to 160 apartment homes will be reserved for former Claremont Homes residents through the use of Project Based Section 8. Combined, the site offers the opportunity to transform a 751-unit concentration of exclusively low income housing into a mixed income community of choice with up to 521 units. The developer has applied for Project Based Section 8 Vouchers and will sign an AHAP. No public housing capital funds will be used in this redevelopment.

III. Thompson Partial Consent Decree Production

HABC intends to complete the ACC unit production requirements of the *Thompson Partial Consent Decree* during this demonstration:

1. **Albemarle Square** - HABC intends to commence the construction of 10 affordable for-sale units required by the Stipulation and Order in FY 08 and complete the construction of the units by FY 2009.
2. **58 Unit Program** – HUD approved this program in FY 07 which involves the acquisition of 58 units in non-impacted locations in the Baltimore area for operation by Homes for America, the selected developer. The first two units under this program will be purchased in FY 07. The balance of the units will be purchased in FY 08 and FY 09. HABC may potentially request that HUD waive its current Total Development Cost (TDC) Limits standard for this project through an MTW waiver request.
3. **Sandtown-Winchester/22 Thompson Units** - HABC is required by the Thompson Consent Decree to create 22 public housing units in Sandtown-Winchester. HABC is actively pursuing housing opportunities in FY 07 and FY 08 in other areas of the City. Should those other options become available, HABC will seek court approval for those alternative locations as well commencing in FY 08.
4. **Preston Street** - Ten units will be rehabbed on Preston Street, to include one UFAS compliant unit, beginning in FY 07 and completed in FY 08. HABC will also dispose of an additional 23 properties in the Johnston Square neighborhood to be developed as affordable homeownership using non-MTW funds.
5. **AHI Homeownership** – The Innovative Housing Institute (IHI) was hired to implement the Affordable Housing Initiative. This program was carved out of the Lafayette HOPE VI Grant to create 168 homeownership opportunities for public housing residents. IHI is currently working with eligible public housing families to purchase their first home and will continue to do so through FY 07 and FY 08.

Future Development Activities

HABC will also conduct a series of master planning efforts to develop long-term solutions for distressed properties including:

1. **O'Donnell Heights** – HABC will develop plans, with input from resident stakeholders, for a mixed-finance, mixed-income replacement of the distressed O'Donnell Heights site.
2. **Somerset** – HABC will work with the City of Baltimore's Planning Department other agencies, as well as resident stakeholders to develop plans for redevelopment of a broad area of the Fayette Street corridor, including the distressed Somerset Homes site and possibly using the development opportunity that exists in the vacant land holdings of HABC across Fayette Street.

Changes to the Public Housing Inventory

See discussion in Chapter 3 regarding projected changes to the public housing inventory.

Table 6-2
Housing Development Production

Project Name	Rental					Homeownership			Grand Total	Total Project		Status
	Affordable		Market	Total		Affordable	Market	Total		MTW	Non-MTW	
	PH	LIHTC Only	PBS8									
I. Neighborhood Reinvestment												
1 Reservoir Hill	40	24	0	0	64	4	8	12	76	\$ 3,964,138	\$ 9,381,413	Under Construction
2 Sharp Leadenhall*	23	8		0	31	-	-	-	31	\$ 2,005,000	\$ 4,750,955	Under Construction
3 Barclay	55	57	91	40	243	-	-	-	243	\$ 5,623,255	\$ 24,000,000	Predevelopment
4 Greenmount West**	16	-	-	-	16	20	0	20	36	\$ 3,160,000	\$ -	Planning
Total Planned	134	89	91	40	354	24	8	32	386	\$ 14,752,393	\$ 38,132,368	
II. New Housing Production												
1 Uplands	0	63	80	72	215	123	808	931	1146	\$ -	\$ 300,000,000	RFQ in progress
2 EBDI (1st Phase)	0	150	200	100	450	142	608	750	1200	\$ -	\$ 170,000,000	Under Construction
3 Freedom/Claremont	0	67	230	35	332	72	117	189	521	\$ -	\$ 120,000,000	Under Construction
Total Planned	0	280	510	207	997	337	1533	1870	2867	\$ -	\$ 590,000,000	
III. Thompson Production												
1 Albemarle Square	-	-	-	-	-	10	-	10	10	\$ 2,885,074	\$ 4,400,000	Closing 2007
2 HFA 58 Units	58	-	-	-	58	-	-	-	58	\$ 11,903,500	\$ 100,000	Under Construction
3 Preston Street	10	-	-	-	10	-	-	-	10	\$ 1,750,000	\$ 4,050,000	RFP in Progress
4 22 Thompson	22	-	-	-	22	-	-	-	22	\$ 5,500,000	\$ -	Not Yet Started
5 AHI Homeownership	-	-	-	-	-	168	-	168	168	\$ -	\$ 18,648,000	Underway
Total Planned	90	0	0	0	90	168	-	168	258	\$ 19,153,500	\$ 27,198,000	
Grand Total	224	369	601	247	1441	529	1541	2070	3511	\$ 33,905,893	\$ 655,330,368	

*Four of the 8 LIHTC units are also PBS8

**Quantities subject to development plan process

Conversion Opportunities

The Voluntary Conversion Rule, and the flexibility granted HABC under MTW provide opportunities to secure leveraged private financing for renovations to existing distressed properties. Leveraged financing tools that will be studied and or utilized in FY 07 and 08 are:

- *Tax Increment Financing* – TIF uses the real property tax increment generated by a development improvement to finance the construction improvements, either as the tax revenues are realized (PAYGO) or to finance debt to make the improvements at once. TIF may be particularly useful at large family sites which are currently tax exempt. By converting the subsidy base from ACC to HCV, and bringing a property on to the real estate tax rolls, the tax revenues generated by the conversion can be dedicated to rehab or redevelopment of the property. TIF generally works best in concert with other funding described below.
- *Low Income Housing Tax Credits* – The State of Maryland's 4% LIHTC program can be used to finance rehab or redevelopment of HABC properties.
- *Mixed Income Conversion* – certain properties may support a modest market-rate component that can support a mortgage for capital improvements.

Home Ownership

HABC strongly supports the expansion of affordable home ownership to public and assisted housing residents but recognizes that steady income of sufficient amount is a pre-requisite to success. HABC's Resident Services Programs will assist those residents whose aspirations include homeownership to achieve economic success, while the Baltimore Housing Office of Homeownership can provide pathways to ownership.

During FY 07 and 08 of the Baltimore MTW demonstration, HABC will adhere to its existing, HUD approved mechanisms to make home ownership possible for public and assisted housing residents: the section 5(h) / section 32 homeownership plan, and the section 8 homeownership program, however HABC is amending the Housing Choice Voucher administrative plan to reflect several changes to the homeownership program. These changes are necessary to maintain the integrity and success of the program. The proposed changes can be found in Chapter 2: Occupancy Policies.

To date under the Section 8 Homeownership Program, 24 homes have been sold to participants. During Fiscal Year 2007, HABC's will bring the total number of families assisted to 25. During Fiscal Year 2008, HABC's goal is to assist an additional seven (7) families so that the total number of homes purchased under the Section 8 Homeownership Program will be 31 by June 30, 2008.

In addition, a number of the mixed-finance redevelopment projects will produce new units to be sold to income eligible families. Table 6-2 identifies homeownership units that are projected to be constructed and sold within the next five years.

VII. Management Information: Owned Housing

This section of the MTW Plan details objectives and plans to improve operational efficiency and cost-effectiveness and provide quality customer service.

Vacancies

HABC's adjusted occupancy rate as of the end of June 2006 was 88.9% . Consistent with the MTW Agreement, HABC has established a Fiscal Year 2007 benchmark to increase adjusted occupancy to 93% by June 30, 2007, and to 94% by June 30, 2008. Detail on current and projected vacancies is provided in Appendix One.

In order to achieve a net reduction in vacancies, HABC will continue its aggressive efforts to both a) turn over newly vacated units (i.e. those vacated by households during each of the fiscal years) through site-based maintenance staff as well as a centralized rapid vacancy team, and, b) rehabilitate/renovate longer term vacant units through the agency's Engineering and Capital Improvements (ECI) unit. ECI uses Job Order Contracting (JOCs) contractors and the HABCO subsidiary to perform rehabilitation activities. In addition to ECI and site-based Maintenance staff turnover and renovation activities, HABC will continue to focus on rapid reoccupancy through efforts such as the Home Selection Day program previously described. Finally, the agency continues to enhance its internal tracking systems in order to ensure ongoing monitoring of vacancy, make ready and reoccupancy activities.

Work Orders

Responsiveness to service calls by residents is a key measure of HABC's customer service. HABC's work order system and information reporting tool allows daily monitoring of staff performance and responsiveness. Efforts will be made during Fiscal Years 2007 and 2008 to increase customer satisfaction through quality assurance initiatives, including calls to residents to provide feedback on the quality of work and the responsiveness of HABC staff. The benchmark goals established under MTW for work orders for FY 07 and 08 are:

**Table 7-1
Work Order Benchmarks**

Work Order Type	Benchmark FY 2007	Benchmark FY 2008
Emergency	Completion within 24 hours	Completion within 24 hours
Routine	Completion within 8.43 days	Completion within 8 days

In fiscal year 2006, HABC completed 100% of its emergency work orders within 24 hours, while 98.9% of all routine work orders, including those generated by staff as a result of annual preventive maintenance inspections (PM Inspections) were completed within an average of 6.56 days; 2.37 fewer days than the goal of 8.94 for 2006. To date,

staff have maintained similar work order turnaround times in FY 2007. Daily work order status reports provided to site staff and monthly site performance reviews, combined with just-in-time materials purchasing contracts with Home Depot Supply are key reasons why HABC has exceeded the MTW benchmark for work order turnaround. While the goal is to continually improve performance, the emphasis on achieving higher occupancy levels may result in slower turnaround of routine work orders in FY 2008 while still meeting the FY 08 goal.

In addition to providing a high level of customer service through timely maintenance service, HABC staff will continue to meet regularly with the Resident Advisory Board, Tenant Councils, and resident communities to identify opportunities to improve customer service.

Inspections

HABC inspects units on an annual basis to determine the condition of the unit and to identify problems or issues where HABC can be of service to the family. Inspections upon leasing of the unit (move-in inspections), and upon move-out of the occupants are also scheduled and completed by HABC.

In addition to the types of inspections mentioned above, HABC also conducts periodic quality control, and special inspections to determine housekeeping, unit condition, suspected lease violations or in compliance with statutory and/or regulatory requirements.

HABC completed 100% of its annual inspections in fiscal year 2006. For Fiscal Years 2007 and 2008, HABC will achieve 100% inspections of its units and systems.

Rent Collections

In Fiscal Year 2007, HABC will implement an automated system to track all lease enforcement actions related to late rent and failure to pay rent. Design of this system started during Fiscal Year 2006. HABC's rent collection rate for FY 06 was 94.7% which far exceeds HABC's originally established minimum benchmark of 91% rent collected for Fiscal Year 2007 and 93% for Fiscal Year 2008.

Security

In order to provide better security for HABC residents, HABC has implemented a series of initiatives to improve the quality of life for residents as well as give HABC a tools to enforce its lease provisions. The following is a brief description of existing initiatives and efforts to improve and/or expand them:

- **Camera Monitoring Systems:** HABC in collaboration with the Baltimore City Police has implemented a CCTV system. The CCTV system is a series of permanently mounted cameras that monitors the exterior of some of HABC's

family developments. In FY 06, the first four sites where the system has been implemented are Gilmore, Latrobe, McCulloh and Perkins. In FY 07 implementation of a sixth site, Pleasant View Gardens, will be brought on line and in FY 08 HABC will add a seventh site at Cherry Hill Homes. The CCTV system is monitored at the Baltimore City Police Department's Housing Division facility, located at 312 N. Martin Luther King Blvd however; selected senior HABC staff are able to monitor the family sites from their desktops. The CCTV system has been effective, resulting in the reduction of crime in the family developments—especially drug-related crimes—as well as increasing success in prosecutions and lease enforcement. Because the CCTV system has an expandable infrastructure, HABC is pursuing the addition of CCTV equipment at other family developments as new funding sources are identified.

HABC has also installed fourteen (14) PODSS at various developments. PODSS are mobile-mounted exterior cameras that are easily relocated as needed. Strategic deployment of these camera units has been successful at interrupting and reducing criminal activity in targeted areas.

In FY 07, HABC will complete installation of interior camera-monitoring systems in 10 of its high-rise developments (mixed populations) to achieve greater effectiveness in controlling access to the buildings and to discourage any behavior and activity that pose a threat to residents and visitors. These efforts have been complemented by revised building rules and procedures affecting visitors to the buildings. Refinement of these procedures may continue as needed. In FY 08 HABC will install interior camera-monitoring systems in 10 additional mixed-population high-rise developments.

- **Lease Enforcement Unit:** The Lease Enforcement Unit ("LEU") was established in January 2005 as a part of the HABC Office of Legal Affairs. The LEU staff consists of a Chief of the unit and investigators, who are sworn police officers. The LEU works in partnership with the Baltimore City Police Department and other law enforcement agencies to investigate lease violations resulting from criminal activity in public housing and HCV units. The LEU investigates such information, and in consultation with Housing Operations, initiates lease enforcement actions, including evictions, against those residents who fail to comply with their lease. Additionally, the LEU receives allegations concerning non-criminal lease violations in both public housing and HCV, such as unauthorized occupancy and subleasing, and initiates appropriate action. Further, the LEU investigators are subpoenaed regularly to testify as HABC representatives for Baltimore City prosecutors in cases involving criminal activity on HABC property.

The LEU's goals for FY 2007 and FY 2008 are to heighten the residents' awareness of their obligations under the lease; encourage changes in residents' behavior for a better quality of life; pursue lease enforcement actions, including evictions, in order to promote a safer environment for residents in public housing; and identify issues, and make recommendations for changes, in public housing to create safer environments.

During FY 2007 FY 2008 LEU will continue to focus its efforts on dealing with unauthorized occupants in public housing, sex offenders living on public housing properties, environmental concerns, i.e. unsecured vacant units, abandoned vehicles, gang graffiti, destruction of property, and tenant on tenant crimes, including assaults and thefts.

In FY 2008 LEU will be assisting residents in establishing Tenants on Patrol program, which provides residents with an opportunity to contribute to the safety of community.

Additional MTW Initiatives

HABC Housing Operations staff has begun the process of developing long and short-term objectives for the MTW Demonstration program. To date, several meetings have also taken place with residents to identify resident needs and priorities relevant to MTW. Table 7-2 provides a listing of proposed MTW initiatives in the area of Housing Operations, some of which were listed in the FY 06 MTW Plan. These initiatives are designed to achieve the following objectives:

- Operational efficiency and cost-effectiveness
- Increased customer satisfaction through improved customer service and increased housing choice
- Successful transition to Asset Management

HABC staff will continue to consult with residents on all MTW initiatives that have an impact on residents.

Table 7-2
Initial Listing of Housing Operations MTW Objectives and Tasks

Long Term MTW Objectives	Second and Third Year Major Action Steps or Projects	Second and Third Year Outcomes – Expectations
<i>Establish relationship with Hospitals, Schools, HABC business partners to provide long term services that will attract people who want to apply for housing</i>	Develop plan for establishing relationships	Plan of action developed to initiate contact with HABC business partners and other services used by HABC residents
<i>Establish Marketing Plan to attract applicants needed to fill vacancies. This may include application kiosks and other initiatives to simplify and improve access to the application process.</i>	Develop plan for each development	Fill vacancies, increase customer service and response time to applicants
<i>Create Incentives for Hard-to-Market Developments and Units</i>	Identify and implement incentives	Higher lease-up rates for hard-to-market developments and units
<i>New Resident Transfer Policies to Increase Occupancy and Efficiency</i>	Identify alternative transfer policies to meet HABC objectives	Higher occupancy rates and more efficient operations.
<i>Technology/Communications, Merge Systems, Tracking/Validation tools</i>	Design, procure, and refine database and reporting systems to enhance performance monitoring and strategic decision-making.	Plan established for data collection activities, tracking and validating information. Increase the integrity of data used for reports.
<i>Assess and modify current meter installation and monitoring system</i>	Conduct a cost-benefit analysis of BGE vs. HABC monitoring utility consumption and equipment	Implement recommendations from the study
<i>Establish and Refine a Home Selection Day procedure</i>	Continue to refine the process and procedure	Improved lease-up time Increased applicant satisfaction
<i>Develop and implement more customer-friendly, efficient and effective transfer policies and procedures</i>	Identify problems inherent in current transfer policies and procedures and other customer satisfaction problems that can be addressed through revised transfer policies and procedures.	Greater customer satisfaction and enhanced operational efficiency and effectiveness.
<i>Establish 2 year recert cycles, Conduct annual reviews of reasonable accommodations and community service requirements</i>	Establish baseline for 2 year cycles, establish revenue-neutral policy for interim and annual recerts	Completion of baseline recerts development of an implementation plan for 2-year recerts, and commence phasing in of plan.
<i>Explore, adopt, and implement alternative rent policies to increase resident self-sufficiency, ensure adequate rent revenue, reduce burdens on residents, and increase operational efficiency.</i>	Conduct a study of models implemented at other MTW agencies and development other alternatives for consideration. Adopt new model(s) and/or incremental changes to achieve objectives.	More efficient and cost-effective operation, greater customer satisfaction, and increased resident self-sufficiency.
<i>Simplify rent determination and recertification process</i>	Conduct a study to determine the feasibility, impacts and models. Based on findings, implement recommendations.	More efficient rent determination process, including a local system of verification of income and other resident information in lieu of the current HUD system.
<i>Modify waiting list system and policies to increase housing choices of low-income households</i>	Identify current impediments to greater housing choice and design waiting list and other policy and programmatic solutions to address impediments.	Consolidate multiple waiting lists into one general wait list in order to increase applicant/resident satisfaction and resident retention, reduce the need for transfers, and overall cost-effectiveness
<i>Streamline the Admissions Process Through the Adoption of Local</i>	Identify opportunities for increasing the efficiency of all Admissions	Reduce time spent conducting eligibility determinations, preference verification,

Long Term MTW Objectives	Second and Third Year Major Action Steps or Projects	Second and Third Year Outcomes – Expectations
<i>Admission Policies and Procedures</i>	procedures through policy and procedure changes, and implement promising strategies.	and suitability determinations.
<i>Transition to Asset Management System</i>	Identify opportunities to enhance operational efficiency, cost-effectiveness, and customer service through the adoption of private sector practices and decentralization of operations. Increase site-based staff presence, especially in Mixed-Population Developments. Provide Asset Management training to facilitate the transition of housing managers to asset managers.	More efficient and cost-effective site-based operations and enhanced customer service.
<i>Establish a comprehensive customer service and technical training program for new hires and provide ongoing training and handbooks</i>	Set parameters for types of training, frequency of training, and set policy for required training and consequences for not successfully completing the training.	Empowered and knowledgeable staff, increase productivity, increase morale, uniformity of service provided, and enhanced customer service

VIII. Management Information: Leased Housing

Section 8 Leasing

See Table 3-4 for information on current and projected leasing activity for the Housing Choice Voucher Program. . As a result of HUD's budget-based funding system , the availability of funding to lease additional tenant-based HCV units over the coming fiscal years is extremely limited, especially in light of ongoing rent increases and projected substantial increases to utility costs. HABC has placed a high priority on continuing to serve current HCV program participants.

Program Administration

HABC intends to implement changes to HCV program operations consistent with the MTW Agreement. Key changes include: a) simplification of preference systems; b) transition to two-year recertifications; and, c) transition to a two-year risk-based inspection cycle.

Inspection Strategy

In FY 2007 and FY 2008, HABC will continue its policy of completing pre-contract HQS inspections on 100% of new units; to conduct annual HQS inspections on 100% of leased units, as well as perform pre-contract HQS inspections on 100% of proposed units.

HABC will transition to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. HABC will inspect all units under contract in accordance with its housing quality standards at least once every two (2) years. Units, which have met inspection standards consistently, may be inspected on a two-year schedule. Units, which do not have such a track record, will be inspected on a more frequent basis. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion.

HQS inspections are performed by trained inspectors using HUD form 52580A or HABC equivalent. The HABC will normally schedule inspections on business days between the hours of 9:00 a.m. and 4:00 p.m. The owner and the tenant will receive a copy of the inspection form. Completed records will be maintained according to HABC record retention rules and procedures. Inspection standards are ensured through Quality Control Inspections conducted by the HCVP Inspections Production & Quality Control Supervisor, Inspections Manager or designated person within 10 working days of the previously completed inspection. Quality Control Inspections will be conducted to maintain the HABC required standards and to assure consistency in the HABC program.

HQS Enforcement:

If, at the time of inspection, the unit meets HABC's housing quality standards no further action will be taken. If, at the time of inspection, the unit fails to meet HABC's housing quality standards, the owner and tenant will be notified of the reasons for the failure. The owner is responsible for correcting all deficiencies, which cause a unit to fail unless the tenant is responsible. The tenant shall be required to correct deficiencies determined to be within the tenant's responsibility.

- **Time Standards for Repairs:** Emergency items, which endanger the family's health or safety, must be corrected by the owner within 24 hours of notification. For non-emergency items, repairs must be made within 30 days. For major repairs, HABC may approve an extension beyond 30 days.
- **Follow-Up Inspections:** One follow-up inspection will be scheduled based on the time standards listed above. The tenant and landlord will receive notification of the date and time of the follow-up inspection. If the unit meets standards as of the follow-up inspection, no further action will be taken.

If the unit fails to meet standards at the follow-up inspection, or if HABC cannot gain access to the unit to determine if the unit meets standards, both the landlord and tenant will be notified of the failure to meet housing quality standards and the following actions will be taken:

- a) If the failure is solely the responsibility of the owner, HAP payments will be suspended and the tenant (if in good standing) will be issued a voucher to move to a new unit;
- b) If the failure is solely the responsibility of the tenant, then proceedings will continue to end that tenant's participation in the HCV program;
- c) If both the owner and the tenant have responsibility for the failure, then HAP payments will be suspended and proceedings will continue to end the tenant's participation in the HCV program.

Additional policies regarding inspections are included in the revised Administrative Plan.

Rent Reasonableness

HABC staff conduct a careful analysis of all proposed rents at initial occupancy, upon receipt of a rent increase request and throughout the term of the HAP agreement. During FY 2007 and FY 2008, HABC intends to procure and implement new automated tools to facilitate determination of rent reasonableness. Rent reasonableness policies are described in the Administrative Plan.

Expanding Housing Opportunities (Deconcentration of Low-Income Families):

HABC has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration. Under this policy, the HABC will inform voucher holders of the full range of areas where they may lease units both inside and outside HABC's jurisdiction. The HABC will supply a list of landlords or other parties who are willing to lease units or help families find units, outside areas of poverty or minority concentrations. HABC also informs voucher holders about the mobility counseling programs available for eligible program participants.

IX. Resident Programs

HABC's resident services programs are coordinated by the HABC Office of Resident Services (ORS). HABC serves a population of public housing residents and Housing Choice Voucher program participants that is primarily minority, extremely low-income and unemployed. Further, HABC's resident population includes seniors and persons with disabilities. Thus, as indicated in previous plans, the resident service needs of HABC residents are significant in scope and far exceeding the resources available to HABC or the larger community.

Continued funding cuts for public housing has resulted in similar funding reductions in resident services programs. During year three of the MTW Demonstration, HABC will face a tremendous challenge in continuing to address resident supportive service needs with limited resources. HABC's strategy will be to identify and secure private, foundation, non-profit and other government resources to restore and expand the range and quality of services to residents. To that end, HABC will work aggressively with outside government and non-profit organizations to develop partnerships, collaborations, and service networks to increase resident access to existing services and develop new initiatives. Additionally, HABC will implement revised Family Self Sufficiency and Community Service programs, and continuing to undertake new initiatives implemented during year one of the MTW Demonstration.

This section of the MTW Annual Plan summarizes, and lists FY 07 and FY 08 goals for resident services programs.

Projection of Residents to Be Served

HABC's resident service programs fall into two categories: 1) Self Sufficiency programs designed to facilitate resident job readiness and access to employment and training opportunities; and, 2) Support Service programs that address a wide range of supportive service needs for adults, children and seniors. Tables 9-1 and 9-2 below provide projections of residents to be served under the Self Sufficiency Program and Family Support Service Program categories for years two and three of the MTW Demonstration.

**Table 9-1
Self-Sufficiency Programs/Services**

Service/Program Area	FY 07' Projections (Year Two of MTW)	FY 08' Projections (Year Three of MTW)
Family Self-Sufficiency Program	300	280
Job Training Services	185	65
Employment Readiness, Placement and Retention Services	1402	1100
Resident Training & Technical Assistance	75	75
TOTALS	1962	1520

**Table 9-2
Support Services/Programs**

Service/Program Area	FY 07' Projections (Year Two of MTW)	FY 08' Projections (Year Three of MTW)
Crisis Intervention/Service Coordination	2300	2500
Child Daycare Program	200	150
Our House Family Support Center	200	200
Pre & Post Occupancy Program	200	2000
Building Communities Initiative	150	250
TOTALS	3050	5100

MTW Resident Service Program Initiatives

Family Self-Sufficiency Program

The Family Self-Sufficiency Program (FSSP) is a HUD mandated program designed to assist Housing Choice Voucher Program (HCVP) residents in achieving economic independence, self-sufficiency and homeownership through case management services and financial savings (escrow accounts) linked to residents' rent payments. HABC. RS proposed to utilize its MTW program flexibility to restructure its FSSP in year one of the MTW Demonstration in an effort to increase overall program effectiveness and improve success rates among FSSP participants. However, ORS has not made all proposed changes to the FSSP structure because the year one MTW Plan has not yet been approved. A detailed outline/description of the proposed restructured FSSP and a transition plan is included in this 2006 MTW Annual Plan.

The overall goal of the FSSP during the seven (7) year MTW Demonstration period is to graduate 325 participants and have them all achieve their goals related to homeownership and/or unsubsidized living. The goals for the years two and three of the MTW Demonstration are to; fully implement the restructured program, continue to serve the existing FSSP participants, and graduate a minimum of 90 FSSP participants.

Community Service Requirement

The Quality Housing and Work Responsibility Act (QWHRA) enacted in 1998 required all non-exempted adult residents of public housing to perform eight (8) hours per month of community service for a total of 96 hours per year. The HABC community service program is implemented by the ORS. The overall goals of the community services program are to promote civic/personal responsibility, social wellness and exposure to pro-social activities and self-sufficiency opportunities for public housing residents.

ORS proposed to utilize its MTW program flexibility to restructure the community service program to ensure maximum levels of resident participation and effective monitoring. However, ORS did not restructure the community service program during year one of the

MTW Demonstration because the year one MTW Plan has not been approved. A detailed outline/description of the restructured community service program is included in this MTW Annual Plan.

The goals for years two and three of the MTW Demonstration are to: implement the new program structure; continue to screen new and existing HABC residents to determine their exempt status; update/distribute the resource guide; and, effectively track resident compliance.

Pre & Post Occupancy Program

The Pre & Post Occupancy Program (POP) is an initiative implemented in year one of the MTW Demonstration to assist new and existing public housing residents with: understanding their responsibilities as they apply to the lease; complying with the community service requirement; being as self-sufficient as possible in regards to the upkeep and maintenance of their unit; and, knowing the resources and programs that exist within their communities and the city of Baltimore as a whole. New residents attend *Occupancy Training Classes* and existing residents who have housekeeping violations (or request assistance with housekeeping) attend *Housekeeping Training Workshops*.

The overall goals of the POP are to: increase resident compliance with the HABC lease; increase resident compliance with the community service requirement; increase resident knowledge of unit maintenance and upkeep; and, educate/inform residents of self-sufficiency programs and support services available to them in the city of Baltimore. The goals for the POP during years two and three of the MTW Demonstration are to: implement a policy to make attendance of the *Occupancy Training Classes* mandatory for all new HABC residents; update the training curriculum; update the resource referral directory; and, evaluate the effectiveness of the POP.

Building Communities Initiative

The Building Communities Initiative (BCI) is an initiative implemented in year one of the MTW Demonstration to address the growing challenge of social integration of seniors and residents with disabilities in HABC mixed population developments. The primary goal/function of the BCI is to foster positive interactions and the development of healthy relationships between these two populations. The core component of the program is the development of Community Boards at all mixed population developments. The purpose of the Community Boards are to role model positive interaction and relationship building between the two populations; intervene in, and negotiate, conflicts between the two populations; and, develop/implement programs and activities which promote safe and friendly living environments. The second component under the BCI is the Adopt-A-Senior/Disabled Resident Program (ARP). The purpose of the ARP is to provide opportunities for senior and disabled residents to participate in recreational, educational, cultural and spiritual activities that improve the quality of their lives.

The goals for the Community Board component of the BCI during years two and three of the MTW Demonstration are to: update the training curriculum for resident training classes, develop a minimum of four (8) new Community Boards and engage outside organizations to provide ongoing training and technical assistance to the Community

Boards. The goals for the ARP component of the BCI during years two and three of the MTW Demonstration are to: recruit, screen and enroll more program volunteers and facilitate activities for an additional 300 seniors and persons with disabilities.

Youth Councils

The ORS recognizes the need to promote leadership among its public housing youth and provide opportunities for them to participate in pro-social activities. To that end ORS began working with its tenant councils and Resident Advisory Board to develop youth councils in year one of the MTW Demonstration. The purpose of the youth councils is to provide public housing youth with an opportunity to develop leadership, advocacy, outreach and professional development skills. Additionally, participating in youth councils provides youth with an alternative to participating in activities that lead to trouble.

The overall goal is to have a youth council at each family development. The goals for years two and three of the MTW Demonstration are to develop an additional five (8) youth councils and engage outside organizations to provide ongoing training and technical assistance to the youth councils.

Beautification Project

In an effort to beautify our developments and promote community involvement, ORS established the HABC Beautification Project during year one of the MTW Demonstration. This project offers residents at each development an opportunity to participate in a project that will: help maintain/beautify their communities; promote a sense of pride and ownership; obtain credit toward their community service requirement; and, be acknowledged and win awards through an annual agency-wide competition. The goals for years two and three of the MTW Demonstration are to: engage program participation at a minimum of 10 HABC properties; engage outside organizations to provide ongoing training and technical assistance to program participants; and, facilitate competition annual awards ceremony.

Development of a Non-Profit Subsidiary

As federal funding for housing authorities, as well as funding for self-sufficiency and support services programs, continues to decrease, it is critically important for housing authorities to target non-federal sources for funding and to become more creative and aggressive in the area of resource development. To that end ORS proposed in its year one MTW Plan to develop a 501(c)3 non-profit subsidiary organization. Through this subsidiary organization, HABC anticipates that funding and other resources from non-federal sources will be obtained to support and expand program/services for public housing residents in Baltimore City.

The overall goals of the non-profit subsidiary organization are to: secure funding and other resources to support and expand existing, as well as implement new, program and services for public housing residents; develop effective collaborations and partnerships with Federal, city, state and other non-profit agencies that result in increased access to existing services these organizations provide for public residents; and, implement model programs and best practices for self-sufficiency and support services. The goals for the

non-profit subsidiary during years two and three of the MTW Demonstration will be to: formerly establish its self as a non-profit with the state of Maryland and the Internal Revenue Service; develop partnerships and collaborations with all city and state social/human service agencies; secure a minimum of \$1,000,000 in resources for resident programs/services.

Existing Resident Services Programs/Services

In addition to the new and revised program initiatives described above, HABC continues to implement the following ongoing resident service programs.

Self-Sufficiency Programs

The primary mission of the ORS is to provide opportunities for residents to achieve self-sufficiency through a service coordination and delivery system that includes partnerships with local agencies, employers and non-profit organizations. ORS provides an array of employment; training and support service initiatives that help residents meet their self-sufficiency goals. In addition to the Family Self-Sufficiency Program, ORS will continue to provide the following services to promote self-sufficiency among our residents.

Job Training: Apprenticeship and Customized Training will be coordinated with local agencies and employers to provide residents apprenticeships and other job training opportunities that lead not only to employment but careers. Training areas may include, but are not limited to; construction; housing inspection; maintenance mechanic; wastewater distribution; and, commercial driving. Additionally, residents will continue to be referred to a number of outside vendors for additional/alternative training opportunities that will lead to employment.

Employment Readiness, Placement and Retention Services: ORS will continue to coordinate and deliver its employment readiness and placement services through the People Accessing Continued Employment (PACE) Career Advancement Solutions (CAS) Programs. These programs provide case management, job preparation, job search, job placement and job retention services to residents. These programs partner with a number of city agencies (e.g., the Mayor's Office of Employment Development and the Baltimore City Department of Social Services) to insure success.

Personal Development Services

Residents need ongoing assistance to eliminate barriers to employment and self-sufficiency. To this end ORS will continue to provide assistance residents in removing these barriers through the provision of personal development training, literacy training and driver education.

Literacy Training: One of the biggest challenges to employment for low-income populations is literacy. ORS will continue to provide pre-GED services through our resident operated learning laboratories and our Neighborhood Networks Centers.

Computer Training: ORS will continue its partnership with the Johns Hopkins University's Urban Health Institute's. Through this partnership ORS is able to operate the Cybernet Program. This program consists of computer centers located in sixteen (16) mixed populations high-rise buildings. The partnership also includes the Phoenix Project, which provides and maintains refurbished computers for each site. The tenant councils of the individual developments manage and monitor these computer labs. HABC provides technical assistance to the tenant councils. The mission of the Cybernet Program is to educate and empower residents to use computers while providing them access to the world through the Internet.

In addition to the Cybernet Project, ORS will also continue developing new youth computer centers. The mission of these centers is to provide public housing youth with the opportunity to gain valuable computer skills and expose them to the world through the internet. ORS will also continue to work with the One Economy Corporation to help residents access computers through a computer loan fund.

Training and Technical Assistance for Resident Organizations

Training and technical assistance is provided to resident organizations (the HABC Resident Advisory Board and HABC Resident/Tenant Councils) to build their capacity to function as professional community-based organizations, and assist them with resource development activities. The goal of ORS is to foster the development of highly functioning and capable resident organizations that are not only self-sufficient, but also assists residents within their communities (through program and services) to become self-sufficient. To this end, ORS will continue to provide these services.

Support Services

Support services are provided to residents by ORS to improve the overall quality of their lives and remove barriers to self-sufficiency. As such, ORS will continue to provide the following support services and programs.

Crisis Intervention/Service Coordination Services: Counselors and other staff provide services to individuals and families who live in HABC family and mixed population developments and rehabilitated housing. These services are provided through a comprehensive system that involves onsite crisis intervention/stabilization, assessment and planning to improve the quality of life for the residents and increase their chances of becoming self-sufficient. Counselors work closely with property managers to identify resident needs and work with community and government organizations to meet these needs.

Child Daycare Program: The HABC Child Daycare Program (CDP) is administered by ORS. There are currently three (3) CDP sites located within HABC public housing developments throughout Baltimore City. The CDP is currently serving approximately 150 children from public housing and surrounding communities. HABC will continue to operate and/or facilitate these services during years two and three of the MTW Demonstration, subject to available funding.

Our House Family Support Center: The Our House Family Support Center is part of a network of 31 community-based Family Support Centers in Maryland. It is sponsored in

partnership by the Maryland State Department of Human Resources, the Friends of the Family organization and ORS. It is a child-centered family focused program that provides free services to pregnant women and parents with children from birth to age three to help raise healthy children and build productive futures. The focus is on accepting parents where they are, building on individual and family strengths, and in helping families identify and achieve their own goals. The core services are offered both in the home of program participants and within the program center.

X. Information Technology

During FY 2007 and FY 2008 Information Technology will undertake and/or complete the following initiatives:

The Bailey Consent Decree 504 Database

The initial 504 database was created in Access and often had several system malfunctions due to its size and the number of users allowed access. In addition, when a modification had to be made, each desktop had to be physically touched to receive the update. In FY 2007 the database was redesigned in a browser-based application, which is user friendly and all updates can now be made without user intervention. The new design also links the database to the MST system and captures real time client and work order information. This system is scheduled to be online and in production by June 30, 2007

Desktop Upgrade

HABC purchased the majority of its 1,500 desktop computers in 1998 & 1999 just before Y2K. The operating system of choice was Microsoft Windows NT4. In order to avoid technical obsolescence, HABC is replacing and upgrading its desktop computers to Microsoft Windows 2000 or XP professional. Completion of this project is scheduled for July 2008.

This will give HABC the ability to:

- Maintain the desktops remotely
- Deploy MS patches and anti-virus updates
- Set group security policies for the desktops from a central location.
- Utilize real time remote control of the user's desktop

Design and Implement a Failure to Pay Rent Management System

In FY 2007 HABC will design and implement its Failure to Pay Rent Management System – this system automated the court process for filing Failure to Pay Rent Complaints. Prior to automation, filing the complaints took several days to process. The turnaround time for filing is now just a few hours. Phase 1 of the project was completed in February 2007, and all site offices are now using the system. In FY 2008 Phase 2 of the project will be to generate the second Court document; a Warrant of Restitution, and the posting of the court charges back to the Agency's enterprise system.

New Software Applications

In FY 2006 HABC purchased a product called J Walk, which is a proven software solution encompassing all the features necessary to add a Graphical User Interface enhancement and Web-enable the MST main computer applications. HABC will complete installation of this product in FY 2008, which will allow HABC to:

- Incorporate business processes into a GUI enhanced Web based system

- Deploy new technology solutions without having to learn new programming languages or technologies without duplicating business logic or starting from scratch

Section 8 Web Tools for Landlords

In FY 2007 HABC will launch a website that will allow current landlords to access their payment and tenant information online. Landlords will be able to access information on current tenants, their payment amounts and the last checks received from HABC for the past 18 months. This phase was completed in February 2007. In FY 2008 the second phase of this project will commence and will provide current and future landlords the ability to list properties for rent to our client base. Clients will be able to search by bedroom size, neighborhood, property amenities and rent amount etc.

MBE Contract Management and Compliance

In FY 2007 HABC will purchase and begin implementation of a Minority Business Enterprise (MBE) contract management and compliance system called Prism, which provides a centralized location to store detailed and customizable contract data. Prism connects to our financial records and automatically updates contracts as they progress. Contract Reports allow us to view real-time progress in a snap.

Prism has two modules. The Vendor Management Module is the foundation of Prism. Prism's Vendor Directory allows HABC to store vendor information and allows vendors to update their own profiles. With this module, HABC can search for a specific type of vendor and publish an Indexed Vendor Directory. Best of all, when adding contracts, HABC can simply select vendors from its directory so that the same information is not re-entered time and time again.

The Compliance Management Module has advanced tools and features. For example, Prism Alerts can notify HABC when contract events occur. They also allow Compliance Officials to set goal thresholds on contracts. When goal thresholds are not being met, Prism will automatically alert staff via email. Compliance Reports will allow staff to analyze cross-jurisdictional trends with a wide range of parameters.

This product will be fully implemented in FY 2008.

Human Services Case Management System

HABC is in the process of creating an RFP to procure a secure, flexible, comprehensive, web-based software system for its Human Services organizations. This software will allow the agency to track client information across several unique programs, easily generate graphical reporting and demonstrate the effects of staff's efforts on program outcomes. It should also provide complete client demographics, record management, surveys and assessments, outcomes management, and standard reports.

Future Projects

In FY 2008 HABC will also organize a team to identify areas for enhancements to the MST software system that will benefit current and future needs of the Agency. Planned enhancements include:

- Interface Great Plains' inventory with the MST Work Order system
- Implement Public Housing & Housing Choice Voucher Handheld inspection systems
- Tenant Termination System – which will provide the ability to track the tenant termination-hearing process from start to finish.

XI. Procurement Policies

As part of the first year MTW initiatives, HABC submitted a proposed new Procurement Policy. As previously noted, HABC has not received HUD approval of the Fiscal Year 2006 MTW Annual Plan. For Fiscal Year 2007 AND 2008, HABC proposes to implement the revised Procurement Policy. No additional changes to the policy are proposed.

APPENDIX ONE: STATISTICAL INFORMATION

Vacancy Rate by Property

Area	Project	Project Name	Actual Adjusted Vac% as of 6/30/06	Targeted Adjusted Vac % as of 6/30/07	Targeted Adjusted Vac % as of 6/30/08
FM1	0001	LATROBE HOMES	14.3%	13.2%	12.5%
	2-23	MCCULLOH	18.9%	14.1%	4.2%
FM1	0003	PERKINS HOMES	15.5%	5.8%	5.0%
FM1	0005	DOUGLASS HOMES	6.3%	1.0%	2.6%
	6-31-32	GILMOR	17.7%	7.7%	2.9%
FM1	08-09	O'DONNELL HEIGHTS	4.1%	5.1%	5.3%
FM1	0010	SOMERSET COURT	0.0%	0.0%	0.0%
	11-12-17	CHERRY HILL	7.8%	2.6%	2.0%
FM1	0013	WESTPORT HOMES	0.0%	0.0%	0.0%
FM1	0014	CLAREMONT HOMES	0.0%	0.0%	0.0%
FM1	0021	BROOKLYN HOMES	24.3%	4.9%	4.9%
FM1	0022	WESTPORT HOMES	19.6%	10.5%	9.0%
FM1	0026	ALBERT SPENCER GARDENS	11.1%	0.0%	0.0%
FM1	0029	MOUNT WINANS	44.4%	7.6%	0.0%
FM1	0034	OSWEGO MALL	0.0%	4.3%	2.9%
FM1	0042	SOMERSET COURT	14.5%	3.3%	5.0%
	33-52	LAKEVIEW	2.7%	2.2%	1.9%
MP1	0039	CLAREMONT HOMES	3.3%	3.0%	1.3%
MP1	0041	WEST TWENTY, THE	12.8%	2.7%	4.5%
MP1	0043	MONUMENT EAST APARTMENTS	4.7%	1.8%	3.5%
MP1	0044	WYMAN HOUSE	3.0%	1.3%	2.9%
MP1	0046	CHASE HOUSE	10.6%	1.0%	2.1%
MP1	0047	GOVANS MANOR	6.6%	2.9%	0.5%
MP1	0051	BERNARD E MASON SR APART	1.8%	2.3%	0.9%
MP1	0053	ELLERSLIE, THE	7.9%	2.6%	0.9%
MP1	0054	BEL -PARK TOWER	8.7%	8.1%	4.3%
MP1	0056	BRENTWOOD, THE	9.2%	3.7%	3.4%
MP1	0070	ROSEMONT TOWER	11.3%	3.7%	2.5%
MP1	0071	PRIMROSE PLACE	5.6%	2.0%	0.0%
MP1	0074	HOLLINS HOUSE	5.1%	4.3%	0.0%
MP1	0075	ALLENDALE, THE	3.0%	3.1%	1.2%
SS		REHAB	18.5%	21.0%	19.8%
	0004	POE HOMES	2.4%	3.0%	3.0%
	0012	ST. AMBROSE	0.0%	0.0%	0.0%
	0076	CHM	7.1%	0.0%	0.0%
	0101	ARBOR OAKS	1.6%	1.6%	1.6%
	0102	MONASTERY GARDENS APARTM	9.1%	9.1%	9.1%
	0103	MIDTOWN APARTMENTS	34.3%	34.3%	34.3%
	0104	MONTPELIER APARTMENTS	7.3%	7.7%	7.7%
	0105	HILLSIDE PARK	0.0%	0.0%	0.0%
	0106	TERRACES FAMILY TOWNHOUSES	4.5%	5.0%	5.0%
	0107	TERRACES GARDEN COOP	4.3%	4.3%	4.3%
	0108	UPTON APARTMENTS	37.8%	37.8%	37.8%
	0109	STRICKER STREET	32.0%	32.0%	32.0%
	0110	PLEASANT VIEW GARDENS	2.4%	3.4%	3.4%
	0111	HERITAGE CROSSING	2.7%	2.7%	2.7%
	0112	BROADWAY	3.6%	3.6%	3.6%
	0113	WEST HILLS SQUARE	0.0%	0.0%	0.0%
	0114	ALBEMARLE SQUARE	0.8%	1.0%	1.0%
		HABC Total	11.1%	7.0%	6.0%

APPENDIX TWO: ASSET MANAGEMENT TABLE

ASSET MANAGEMENT TABLE

Community	MD #	AMP Nos.	ACC Units	Other Units	Development Activities	Capital Improvement Activities	Demolition/Dispo Activities	Management
Latrobe Homes	2001	1	701	none	none	See Capital Program	Potential removal of interior structures to reduce density and improve circulation	
McCulloh Homes	2002	2	434	none	City of Baltimore will continue to provide technical assistance to McCulloh resident leadership in their participation in the State Center redevelopment plan.	See Capital Program. Site of significant accessibility improvements, to both interior and exterior		
Perkins Homes	2003	3	688	none	Potential re-financing using 4% Low Income Housing Tax Credits, Tax Increment Financing, and other sources to preserve long term affordability and to fund improvements.	See Capital Program. Site of significant accessibility improvements, to both interior and exterior		
Poe Homes	2004	4	298	none	Potential re-financing using 4% Low Income Housing Tax Credits, Tax Increment Financing, and other sources to preserve long term affordability and to fund improvements.	See Capital Program		Private Management
Douglass Homes	2005	5	393	none		See Capital Program		
Gilmor	2006	6	571	none		See Capital Program	Potential removal of interior structures to reduce density and improve circulation	
O'Donnell Heights	2009	6	802	none	Future redevelopment site after additional replacement housing units are created elsewhere in the market.	See Capital Program	Demolition of 400 vacant and distressed units that are beyond repair.	
Somerset Homes	2010	10	257	none	Potential for redevelopment after master planning of the Fayette and Orleans Streets corridors. HABC will require significant community discussion prior to any redevelopment action.	See Capital Program	Demolition of 257 distressed units that are beyond repair.	
Cherry Hill Homes	2011	11	600	none		See Capital Program		
Cherry Hill Homes	2012	11	637	none		none	Demolition of 113 long-term vacant distressed units	
Cherry Hill Homes	2017	11	157	none		See Capital Program		
Westport Homes Ext.	2013	13	232	none		none	Demolition of 232 vacant and distressed units that are beyond repair.	
Westport Homes	2022	22	200	none		Possible consolidation of occupancy from Westport Extension and Mt Winans into Westport Homes after vacancy mod improvements		
Mount Winans	2029	22	140	none	Possible revitalization of select rows of units in strong locations in the neighborhood	none	Demolition of 88 vacant and distressed units that are beyond repair.	
Claremont Homes	2014	14	0	none	292 Units demolished by June 2007 by selected developer	none	Proposed demolition of 292 long-term vacant distressed units and disposition of site for further housing development.	
Claremont Homes Ext. (HRise)	2039	39	152	none		none	Proposed rehab or replacement as Phase 2 of the Claremont/Freedom project	
Brooklyn Homes	2021	21	500	none		See Capital Program		

ASSET MANAGEMENT TABLE

Community	MD #	AMP Nos.	ACC Units	Other Units	Development Activities	Capital Improvement Activities	Demolition/Dispo Activities	Management
McCulloh Homes Ext. (LRise)	2023	2	122	none	see above re: McCulloh Homes	See Capital Program		
McCulloh Homes Ext. (HRise)		23	394	none	see above re: McCulloh Homes	See Capital Program		
Albert Spencer	2026	202	20	none		See Capital Program		
Rosemont	2031	31	106	none		See Capital Program		
Dukeland	2032	31	30	none		none		
Oswego Mall	2034	203	35	none		See Capital Program		
Lakeview Tower	2033	52	161	none		See Capital Program		
West Twenty	2041	41	357	none		See Capital Program		
Somerset Court Ext.	2042	42	60	none		See Capital Program		
Monument East	2043	43	187	none		See Capital Program		
Wyman House	2044	44	168	none		See Capital Program		
Chase House	2046	46	189	none		See Capital Program		
Govans Manor	2047	47	199	none		See Capital Program		
B. E. Mason, Sr., Apts.	2051	51	223	none	Potential for re-financing using 4% Low Income Housing Tax Credits, Tax Increment Financing, and other sources to preserve long term affordability and to fund improvements.	See Capital Program		
Lakeview Towers Ext.	2052	52	144	none		See Capital Program		
Ellerslie Apts.	2053	53	125	none		See Capital Program		
Bel-Park Tower	2054	54	274	none		See Capital Program		
The Brentwood	2056	56	150	none		See Capital Program		
Rosemont Towers	2070	70	203	none		See Capital Program		
Primrose Place	2071	71	125	none		See Capital Program		
Hollins House	2074	74	130	none		See Capital Program		
Allendale	2075	75	164	none		See Capital Program		
Scattered Sites - Retain	various	201	1346	none		See Capital Program		
Scattered Sites - Under Review	various	202	154	none		See Capital Program		
Scattered Sites - Dispose	various		1372	none	Vacant units to be disposed to City for redevelopment activity	See Capital Program		
Arbor Oaks	2101	101	51			none		Private Management
Monastery Gardens	2102	102	11			none		Private Management
Midtown	2103	103	35			none		Private Management
Montpelier	2104	104	13			none		Private Management
Hillside Park	2105	105	30			none		Private Management
The Townes at The Terraces	2106	106	203			none		Private Management
Terrace Senior Building	2107	107	47			none		Private Management
Uptown Apartments	2108	108	37			none		Private Management
Stricker Street	2109	109	25			none	Repair costs exceed 130% of TDC. Refinancing and repair using non-public housing funds to be explored in FY 2008	Private Management
Pleasant View Gardens	2110	110	201		HOPE VI project that is complete and fully occupied	See Capital Program		Private Management
Pleasant View Gardens (Elderly)		110	110		HOPE VI project that is complete and fully occupied	See Capital Program		Private Management
Heritage Crossing	2111	111	75	150 owner occupied units	HOPE VI project that is complete and fully occupied; no further investment contemplated	none		Private Ownership/Private Management
West Hill Square	2113	113	11	125 tax credit rental units	Mixed-finance deal that is complete and fully occupied	none		Private Ownership/Private Management

ASSET MANAGEMENT TABLE

Community	MD #	AMP Nos.	ACC Units	Other Units	Development Activities	Capital Improvement Activities	Demolition/Dispo Activities	Management
Broadway Overlook	2112	113	84	48 market rental; 35 owner occupied	HOPE VI project that is complete and fully occupied; no further investment contemplated	none		Private Ownership/Private Management
St-Ambrose		116	30	none	Thompson project that is complete and fully occupied; no further investment contemplated	none		Private Ownership/Private Management
Albemarle Square Phase I Rental	2114	114	93	31 tax credit rental	HOPE VI project that is complete and fully occupied. Further investment is planned for an affordable homeownership phase. Market for-sale to completed in FY 2007	none		Private Ownership/Private Management
Albemarle Square Phase II Rental	2115	114	37	21 tax credit rental	HOPE VI project that is complete and fully occupied. Further investment is planned for an affordable homeownership phase. Market for-sale completed FY 2007			
Reservoir Hill Scattered Sites	2117	117	0	64 tax credit rental of which 40 ACC; 4 PH for-sale; 8 market for-sale	Completed: Full Occupancy	none	Mixed finance disposition	Private Ownership/Private Management
Sharp-Leadenhall Scattered Sites	2119	119	0	Proposed: 23 ACC units; 8 tax credit rental	Under construction in Summer 2006; full occupancy December 2007	none	Mixed finance disposition	Private Ownership/Private Management
Barclay Scattered Sites	n/a	121	0	TBD	Developer procured; Construction start in 2007; projected occupancy in 2009	none	Mixed finance disposition	Private Ownership/Private Management
Claremont / Freedom	n/a		0	Proposed: 272 rental and 189 for-sale ----- Proposed Phase 1: 50 PBS8, 30 LIHTC, 20 mkt	Construction start in 2007; full occupancy in 2008 and 2009	none	Phase 1: n/a (non ACC site) Phase 2 and 3: mixed finance disposition. Demolition of Claremont ACC site in 2006	Private Ownership/Private Management
Homes for America	n/a	118	0	Proposed 58 ACC units in non-impacted neighborhoods in the metro area	Acquisition and construction start late 2006; full occupancy late 2008	none		Private Ownership/Private Management
Preston Street	n/a	120	0	Proposed: 10 ACC units per Thompson PCD;	Developer procurement in 2007; Construction start in 2007; full occupancy in 2008	none		Private Ownership/Private Management
Uplands	n/a		0	Proposed: 175 low income 925 other rental and for-sale units	Master Developer procurement in 2007; construction start late 2008; full occupancy by 2013	none	n/a - not an ACC site	Private Ownership/Private Management
Barrister Court Apt.	Non-ACC		0	32		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		
Indecco	Non-ACC		0	45		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		
Norman Lohn House	Non-ACC		0	12		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		

ASSET MANAGEMENT TABLE

Community	MD #	AMP Nos.	ACC Units	Other Units	Development Activities	Capital Improvement Activities	Demolition/Dispo Activities	Management
Somerset Chase	Non-ACC		0	22		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		
Maxwell III	Non-ACC		0	20		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		
Irvington Place	Non-ACC		0	41		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		
West Lexington Street	Non-ACC		0	44		Capital improvement schedule from Replacement Reserves to be developed based on PNAs		
TOTALS			14293					

APPENDIX THREE: BOARD RESOLUTION

**RESOLUTION OF THE HOUSING AUTHORITY OF BALTIMORE CITY
BOARD OF COMMISSIONERS APPROVING
THE ANNUAL PLAN FOR FISCAL YEAR 2007 AND 2008**

TO BE INSERTED

APPENDIX FOUR: CHANGES TO THE MTW PLAN

Appendix Four: Changes to the MTW Plan

Under the terms of the Moving to Work Agreement between HUD and HABC, HABC is required to prepare an MTW Annual Plan. The Annual Plan process includes an opportunity for public review and comment on HABC's proposed activities. Under certain circumstances, HABC may modify the Annual Plan over the course of the fiscal year. A public review process will be conducted when HABC proposes a significant amendment or modification to the then current approved Annual Plan.

The criteria for a significant amendment or modification to the MTW Annual Plan:

- The elimination of or reduction in programs or services to residents unless such reduction is the result of decreases to HABC funding; or
- The elimination of or reduction in funding due to the results of an authorized assessment of HABC's performance; or
- A material change in an approved policy that reduces services to residents unless such reduction is the result of decreases in HABC funding; or
- The adoption of a new policy pursuant to HUD authorized programs or regulations, or
- Additions of non-emergency work items when dollar amounts exceed 10% of the Capital Fund Budget or the amount of replacement reserve funds that exceed 10% of the annual Capital Fund Budget.

The criteria for a substantial deviation and significant amendment or modification DO NOT include:

- A change in funding or other resources due to factors beyond the control of HABC;
- A change in programs, services or methods of administration or operation required by court order, regulatory or legislative changes, or directives from the funding sources; or
- A supplement or clarification to existing policies, programs or services.

APPENDIX FIVE: PUBLIC COMMENTS ON DRAFT MTW PLAN AND HABC REPOSSESSES

Appendix FIVE:
Public Comments on Draft MTW Plan and HABC Responses

TO BE INSERTED

APPENDIX SIX: SUMMARY OF CHANGES TO THE HCVP ADMINISTRATION PLAN

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CURRENT POLICY	PP	PROPOSED POLICY

Chapter 2: ELIGIBILITY FOR ADMISSION

- VAWA requirements

No policy	2-9	<p>K. Violence Against Women Act (VAWA): Victims of Domestic Violence, Dating Violence and/or Stalking (Public Law 109-162, Section 606)</p> <p>In compliance with the Violence Against Women Act of 2005, an individual's status as a victim of domestic violence, dating violence or stalking will not be the basis for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission (see Chapter 15, I).</p>
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Chapter 3: APPLYING FOR ADMISSION

- Waiting List Status and Acceptance of Assistance
- Special Applicant Categories

<p>G. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY</p> <p>The Authority may not take any of the following actions because an applicant has applied for, received, or refused other housing assistance:</p> <ul style="list-style-type: none"> • Refuse to list the applicant on the Authority's waiting list for the remaining type of housing assistance. • Deny admission preference for which the applicant is otherwise qualified. • Remove the applicant from another waiting list. 	3-6	<p>G. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY</p> <p>The Authority may not take any of the following actions because an applicant has applied for or refused other housing assistance:</p> <ul style="list-style-type: none"> • Refuse to list the applicant on the Authority's waiting list for the remaining type of housing assistance. • Deny admission preference for which the applicant is otherwise qualified. • Remove the applicant from another waiting list.
No policy	3-7	<p>H. SPECIAL CATEGORIES</p> <p>The Executive Director of HABC is authorized to create special categories of applicants and/or program participants who apply for a voucher in order to meet special circumstances (e.g., consent decree requirements, legal opinions, etc), and to develop and implement specific rules for accepting and processing applications from individuals identified as members of these special categories. Vouchers or other assistance provided to Special Category participants may be restricted in their use. Examples of such restrictions may include use at specific sites or for certain HABC programs (such as the Homeownership Program). Current Special Category vouchers include:</p> <ul style="list-style-type: none"> • Applicants and/or program participants who are purchasers of a home under the Flag House Stipulation and Order entered in <i>Thompson et al. v. HUD et al.</i> ("Flag Priority Buyers"). • Applicants and/or program participants who are enrolled in the Innovative Housing Institute ("IHI") homeownership program established pursuant to the

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		<p>Thompson Partial Consent Decree (“IHI Priority Buyers”) (the Administrative Plan for Thompson v. HUD Partial Consent Decree Section 8 Programs (“Special Administrative Plan”) establishes the policies for the IHI homeownership program).</p> <ul style="list-style-type: none"> 75 Housing Choice Vouchers will be set-aside for issuance to families with children with elevated blood lead levels. Such families will be referred to HABC by the Baltimore City Health Department and the Coalition To End Childhood Lead Poisoning. HABC, the Health Department and the Coalition will enter into an agreement on the operation of this set-aside program. <p>Non-regulatory requirements may be modified for applicants and/or program participants designated as members of a “Special Category” group with homeownership rights.</p>
No policy	3-8	<p><u>I. SATISFACTION OF AN APPLICATION FOR HOUSING ASSISTANCE</u></p> <p>Applicants may apply for housing assistance under any and all HABC-provided programs for which they qualify. When an applicant is offered and accepts housing assistance under any of these programs, the household’s application is considered satisfied and will be withdrawn from all HABC application waiting lists.</p> <p>After meeting minimum lease/contract/program requirements related to acceptance of and participation in an HABC-provided housing assistance program (usually completion of an initial lease term and participant in good standing), the program participant may submit a new application requesting housing assistance under other HABC programs.</p>

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• **Conflict with agency goals**

<p>A. REQUEST FOR TENANCY APPROVAL</p> <p>The HABC will review the RFTA documents to determine whether or not they are approvable. The request will be approved if:</p> <ul style="list-style-type: none"> • The unit is an eligible type of housing • The unit meets HABC's Housing Quality Standards • The rent is reasonable • The security deposit is approvable in accordance with any limitations in this plan • The proposed lease complies with HABC's MTW requirements and Fair Housing laws • The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval" section below) • At the time a family initially receives assistance in a unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 percent of the family monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" chapter of this Administrative Plan). 	9-1	<p>A. REQUEST FOR TENANCY APPROVAL</p> <p>The HABC will review the RFTA documents to determine whether or not they are approvable. The request will be approved if:</p> <ul style="list-style-type: none"> • The unit is an eligible type of housing • The unit meets HABC's Housing Quality Standards • The rent is reasonable • The security deposit is approvable in accordance with any limitations in this plan • The proposed lease complies with HABC's MTW requirements and Fair Housing laws • The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval" section below) • At the time a family initially receives assistance in a unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 percent of the family monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" chapter of this Administrative Plan). • <u>It does not conflict with the goals or interests of HABC or Housing Choice Voucher Program participants (see Chapter 16 of this Administrative Plan).</u>
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Chapter 11: OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS

• **Direct Deposit**

<p><u>B. MAKING PAYMENTS TO OWNERS</u></p> <p><u>Direct Deposit</u></p> <p>To assist HABC in its outreach efforts to owners and to provide better customer service, HABC offers automatic monthly HAP deposits directly into the bank accounts of property owners/agents.</p> <p>As of July 1, 2006 direct deposit of HAP will be mandatory. Property owners and agents are urged to avail themselves of this service as soon as possible.</p> <p>Direct Deposit request forms may be obtained from the HCV Program Customer Service office.</p>	11-1	<p><u>B. MAKING PAYMENTS TO OWNERS</u></p> <p><u>Direct Deposit</u></p> <p>To assist HABC in its outreach efforts to owners and to provide better customer service, HABC offers automatic monthly HAP deposits directly into the bank accounts of property owners/agents.</p> <p><u>Direct deposit of HAP is now mandatory.</u> Property owners and agents are urged to avail themselves of this service as soon as possible.</p> <p>Direct Deposit request forms may be obtained from the HCV Program Customer Service office.</p>
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<p>If any new family member is added, family income must include any income of the new family member. The HABC will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment. Conversely, if a family member leaves the household, family income will be adjusted to reflect the loss of that member's income (if any). In either case, the size of the unit to which the family is entitled may also be affected.</p> <p>Additionally, the U.S. citizenship/eligible immigrant status of all family members must be declared and verified.</p> <p>Increases in Income</p> <p>Households must report to HABC when:</p> <ol style="list-style-type: none"> 1. There has been a change in a household member's employment status; or 2. The household's weekly gross income has increased by \$100 or more (\$200 biweekly, \$400 monthly, \$5200 annually). <p>These changes must be reported to HABC within thirty (30) days of the date the change occurred.</p> <p>Reporting of a change in household income will trigger an Unscheduled Reexamination. Any increase in the tenant portion of rent resulting from this reexamination will become effective six (6) months from the date the household income changed or on the tenant's scheduled reexamination effective date, whichever comes earlier.</p> <p>The tenant will be responsible for reimbursing HABC for any HAP/UAP costs which were incurred by HABC as a result of tenant failure to report increases in income in a timely manner.</p> <p><u>Decreases in Income</u></p> <p>Participants <u>may</u> report a decrease in income and other changes that would reduce the amount of tenant rent,</p>	12-5	<p>If any new household member is added, household income must include any income of the new household member. The HABC will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the Housing Assistance Payment. Conversely, if a household member leaves the household, household income will be adjusted to reflect the loss of that member's income (if any). In either case, the size of the unit to which the household is entitled may also be affected.</p> <p>Additionally, the U.S. citizenship/eligible immigrant status of all household members must be declared and verified.</p> <p><u>HABC will not change the date of the regular bi-annual reexamination when an interim reexamination is conducted due to a change in household composition.</u></p> <p><u>Interim Reexamination Prompted by Increases in Income</u></p> <p>Households must report to HABC when:</p> <ol style="list-style-type: none"> 1. There has been a change in a household member's employment status; or 2. The household's weekly gross income has increased by \$100 or more (\$200 biweekly, \$400 monthly, \$5200 annually). <p>These changes must be reported to HABC within thirty (30) days of the date the change occurred. Reporting of applicable changes in household income will trigger an interim reexamination. Any increase in the household portion of rent resulting from this reexamination will become effective <u>three (3) months</u> from the date the household income changed or on the household's bi-annual reexamination effective date, whichever comes earlier.</p> <p>The household will be responsible for reimbursing HABC for any HAP/UAP costs which were incurred by HABC as a result of household failure to report increases in income in a timely manner.</p> <p><u>HABC will not change the date of the regular bi-annual reexamination when an interim reexamination is conducted due to a change in household income.</u></p> <p><u>Interim Reexamination Prompted by Decreases in</u></p>

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<p>such as an increase in allowances or deductions. Once verified, if the reexamination results in a lower tenant rent share, the new tenant rent share shall become effective as of the next monthly rent payment schedule. HABC may make a retroactive payment to the household for the difference between the old and new tenant rent share. This payment will in no case be for any period prior to the date the tenant reported the decrease in family income.</p> <p>HABC may, at any time, require a program participant to provide evidence that the circumstances leading to a rent decrease remain in effect. Furthermore, the participant is required to report such changes within 30 days of their occurrence (see “<i>Unscheduled Reexamination Prompted by Changes in Household Composition</i>” and “<i>Increases in Income</i>”, above).</p> <p>HABC Errors If the HABC makes a calculation error at admission to the program or at a scheduled reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.</p>		<p><u>Gross or Adjusted Income</u> Participants <u>may</u> report a decrease in income and other changes, such as an increase in allowances or deductions that would reduce the amount of household rent, <u>once every six (6) months</u>. Once verified, if the reexamination results in a lower household rent share, the new household rent share shall become effective as of the next monthly rent payment schedule. HABC may make a retroactive payment to the household for the difference between the old and new household rent share. This payment will in no case be for any period prior to the date the household reported the decrease in household income.</p> <p>HABC may, at any time, require a program participant to provide evidence that the circumstances leading to a rent decrease remain in effect. Furthermore, the participant is required to report such changes within thirty (30) days of their occurrence (see “<i>Interim Reexamination Prompted by Changes in Household Composition</i>” and “<i>Interim Reexamination Prompted by Increases in Income</i>”, above).</p> <p><u>HABC will not change the date of the regular bi-annual reexamination when an interim reexamination is conducted due to a change in household income.</u></p> <p><u>Interim Reexamination Prompted by HABC Errors</u> If the HABC makes a calculation error at admission to the program or at a bi-annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the household will not be charged retroactively. Households will be given decreases, when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly.</p> <p><u>HABC will not change the date of the regular bi-annual reexamination when an interim reexamination is conducted due to an HABC error.</u></p> <p><u>Interim Reexamination Prompted by Zero Income Household Status</u> An interim reexamination will be completed every one hundred twenty (120) days for households reporting zero income.</p> <p>HABC will not change the date of the regular bi-annual reexamination when an interim reexamination is conducted due to a zero income household status.</p>

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	12-6	<p><u>Interim Reexamination Prompted by Temporary or Sporadic Income</u> <u>An interim reexamination will be completed every one hundred twenty (120) days for households reporting only temporary or sporadic income. Temporary or sporadic income is neither reliable nor periodic and is excluded from the calculation of annual income.</u></p> <p><u>HABC will not change the date of the regular bi-annual reexamination when an interim reexamination is conducted because the household has only temporary or sporadic income.</u></p> <p><u>Interim Reexamination Prompted by Unreported Changes</u> <u>If HABC discovers that a household has not reported required changes in household information and/or income, HABC may conduct a full reexamination. The next scheduled reexamination will take place twenty-four (24) months from the effective date of the interim reexamination.</u></p> <p><u>Interim Reexaminations – Application of Payment Standards and Utility Allowances</u> <u>The payment standard that applies to a household when an interim reexamination takes place is the payment standard which was in effect at the last bi-annual reexamination.</u></p> <p><u>The utility allowance schedule that applies to a household when an interim reexamination takes place is the utility allowance schedule that was in effect at the last bi-annual reexamination.</u></p>
<p><u>E. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)</u></p> <p><u>Standard for Timely Reporting of Changes</u></p> <p>The HABC requires that families report income and/or family composition changes to HABC within 30 days of when the change or changes occur. If the change is not reported within the required time period, or if the family fails to provide any information, documentation or signatures requested by HABC, it will be considered untimely reporting.</p>	12-8	<p><u>E.TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)</u></p> <p><u>Standard for Timely Reporting of Changes</u></p> <p>The HABC requires that households report <u>applicable</u> income and/or household composition changes to HABC within thirty (30) days of when the change or changes occur. If the change is not reported within the required time period, or if the household fails to provide any information, documentation or signatures requested by HABC, it will be considered untimely reporting.</p>

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Chapter 13: MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

- VAWA rules on portability

<u>D. PORTABILITY</u> Restrictions on Portability The restrictions on portability are the same as those listed for moves (see section B., <i>RESTRICTIONS ON MOVES</i> , above).	13-3	<u>D. PORTABILITY</u> Restrictions on Portability The restrictions on portability are the same as those listed for moves (see section B., <i>RESTRICTIONS ON MOVES</i> , above). Exception: In compliance with the 2005 Violence against Women Act (VAWA), a family may receive a voucher and move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit (see Chapter 15, I).
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Chapter 14: CONTRACT TERMINATIONS

- VAWA protections

No policy	14-3	<u>C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS</u> Provisions of the Violence Against Women Act (VAWA), Public Law 109-162, Section 606) VAWA provided certain protections to Housing Choice Voucher and Project-Based program participants: <ul style="list-style-type: none"> • An incident or incidents of actual or threatened domestic violence, dating violence or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victim of such violence (see Chapter 15, I).
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Chapter 15: DENIAL OR TERMINATION OF ASSISTANCE

• VAWA Protections

No policy	15-15	<p><u>I. PROTECTIONS UNDER THE VIOLENCE AGAINST WOMEN ACT (VAWA): VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE AND/OR STALKING (PUBLIC LAW 109-162, SECTION 606)</u></p> <p>VAWA provides certain protections to victims of domestic violence, dating violence and/or stalking:</p> <ul style="list-style-type: none"> • An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victim of such violence. • Criminal activity directly relating to domestic violence, dating violence, or stalking engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking. <p>Before complying with VAWA, HABC may ask an applicant or participant for documentation that he or she is, or has been a victim of domestic violence, dating violence or stalking. The applicant/participant may satisfy HABC's request by producing one or more of the following types of documentation, including but not limited to:</p> <ul style="list-style-type: none"> • Federal, state or local police or court records; • A statement from an employee, agent or volunteer of a victim service provider, an attorney or medical professional from whom the victim has sought assistance in addressing domestic violence, dating violence, or stalking, or the effects of the abuse; • A statement from the victim certifying that he or she is a victim of domestic violence to include the name of the offender. <p>If the individual obtains a statement from an employee, agent or volunteer of a victim service provider, or an attorney, or medical professional, the professional must</p>
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		<p>attest under penalty of perjury that he or she believes that the incident or incidents in question are bona fide incidents of abuse, and must include the name of the offender. The victim must also sign or attest to the documentation provided by the third party.</p> <p>All information will be kept confidential including the individual's status as a victim of domestic violence, dating violence or stalking.</p>

Chapter 16: OWNER DISAPPROVAL AND RESTRICTION

- **Right to refuse to enter into a HAP contract**

No policy	16-3	<p>D. HABC's RIGHT OF REFUSAL TO ENTER INTO A HAP CONTRACT</p> <p>HABC reserves the right to decline to enter into a HAP contract if award of such a contract is in conflict with HABC's Housing Choice Voucher Program goals and purposes or if entering into such a contract would not be in the interests of HABC or Housing Choice Voucher program participants.</p> <ul style="list-style-type: none"> • Economic Opportunity and Deconcentration of Poverty are among the goals of HABC's Housing Choice Voucher Program. Concentration of HCVP participants in specific neighborhoods or developments is inimical to these goals. HABC therefore reserves the right to decline to enter into HAP contracts in neighborhoods/developments where doing so would be in conflict with HABC goals. <p>In private housing developments, HABC may decline to enter into HAP contracts if doing so would bring the number of Housing Choice Voucher-assisted families to more than 30% of all families within those developments. Further, in a development where the number of Housing Choice Voucher-assisted families exceeds 30% of all families within that development, HABC may decline to approve tenancy until the concentration of assisted families is reduced to or approaches the 30% level.</p> <ul style="list-style-type: none"> • HABC may amend the acceptable percentage of assisted families renting in specific developments if this amendment is deemed to be in the interests of HABC and/or Housing Choice Voucher Program participants.
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Chapter 19: SPECIAL HOUSING TYPES

• Homeownership Program

F. HOMEOWNERSHIP [24 CFR 982.625]

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. The HABC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

The HABC reserves the right to restrict homeownership to families or purposes defined by the HABC. The HABC also reserves the right to limit the number of families assisted with homeownership. The HABC will offer a preference for the homeownership option to applicant families who:

- Are currently enrolled and participating in a self-sufficiency program operated by a Federal, State or local agency.
- Are graduates of the HABC Family Self-Sufficiency (FSS) program.

Eligibility Requirements [24 CFR 982.627]

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

The family must be eligible for the Housing

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F. HOMEOWNERSHIP [24 CFR 982.625]

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. The HABC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

The HABC reserves the right to restrict homeownership to families or purposes defined by the HABC. The HABC also reserves the right to limit the number of families assisted with homeownership. The HABC will offer a preference for the homeownership option to applicant families who:

- Are currently enrolled and participating in a self-sufficiency program operated by a Federal, State or local agency.
- Are graduates of the HABC Family Self-Sufficiency (FSS) program.
- Purchase a home under the Flag House Stipulation and Order entered in *Thompson et al. v. HUD et al.* ("Flag Priority Buyers") (The Flag House Homeownership Term Sheet in Appendix II The family must notify HABC of any adverse employment changes immediately. If the participant is separated from his/her employment and refuses employment counseling and or training, HABC in its discretion may terminate the homeownership assistance immediately.
- establishes the policies and eligibility requirements for the Flag House Homeownership program).
- Are participants in the Innovative Housing Institute ("IHI") homeownership program established pursuant to the Thompson Partial Consent Decree ("IHI Priority Buyers") (the Administrative Plan for Thompson v. HUD Partial Consent Decree Section 8 Programs ("Special Administrative Plan") establishes the policies and eligibility requirements for the IHI homeownership program).

Eligibility Requirements [24 CFR 982.627]

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

The family must be eligible for the Housing Choice Voucher program.

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<p>Choice Voucher program.</p> <p>The family must qualify as a first-time homeowner, or may be a co-operative member.</p> <p>The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. Unless the family is elderly or disabled, income from welfare assistance will not be counted toward this requirement.</p> <p>The family must meet the Federal minimum employment requirement.</p> <p>At least one adult family member who will own the home must be currently employed full time and must have been continuously employed for one year prior to homeownership assistance.</p> <p>HUD regulations define “full time employment” as not less than an average of 30 hours per week.</p> <p>The Federal minimum employment requirement does not apply to elderly or disabled families. Any family member who has previously defaulted on a mortgage obtained through the homeownership option is barred from receiving future homeownership assistance.</p> <p>The HABC will impose the following additional initial requirements:</p> <ul style="list-style-type: none"> • The family has had no family-caused violations of HUD’s Housing Quality standards within the last 1 year. • The family is not within the initial 1-year period of a HAP Contract. • The family does not owe money to the HABC. • The family has not committed any serious or repeated violations of an HABC-assisted lease within the past 3 year/specify time period. 		<p>The family must qualify as a first-time homeowner, or may be a co-operative member.</p> <p>The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. <u>AHI Priority Buyers must have annual incomes of no less than \$10,200.</u> Unless the family is elderly or disabled, income from welfare assistance will not be counted toward this requirement.</p> <p>The family must meet the Federal minimum employment requirement.</p> <p>At least one adult family member who will own the home must be currently employed full time and must have been continuously employed for one year prior to homeownership assistance.</p> <p>HUD regulations define “full time employment” as not less than an average of 30 hours per week.</p> <p>The Federal minimum employment requirement does not apply to elderly or disabled families. Any family member who has previously defaulted on a mortgage obtained through the homeownership option is barred from receiving future homeownership assistance.</p> <p>The HABC will impose the following additional initial requirements:</p> <ul style="list-style-type: none"> • The family has had no family-caused violations of HUD’s Housing Quality Standards within the last <u>year.</u> • The family is not within the initial 1-year period of a HAP Contract. <u>(This requirement is waived for Flag Priority Buyers and AHI Priority Buyers as defined above).</u> • The family does not owe money to the HABC. • The family has not committed any serious or repeated violations of a HABC-assisted lease within the past 3 year/specified time period. <p><u>Non-regulatory requirements may be modified for applicants and/or program participants designated as members of a “Special Category” group with homeownership rights (see Chapter 3, Section H, Special Categories).</u></p>

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<p><u>HABC Search and Purchase Requirements</u> [24 CFR 982.629]</p> <p>The HABC has established the maximum time that will be allowed for a family to locate and purchase a home. The family's deadline date for locating a home to purchase will be 120 from the date the family's eligibility for the homeownership option is determined. The family must obtain financing for the home within 120 of the date eligibility for the homeownership program is determined. The family must purchase the home within 180 calendar days of the date eligibility for the homeownership program is determined.</p> <p>The HABC will not require periodic reports on the family's progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time limit, the HABC will place the family's name on the waiting list for a voucher.</p> <p><u>Inspection and Contract</u> [24 CFR 982.631]</p> <p><u>Financing</u> [24 CFR 982.632]</p> <p>The family is responsible for securing financing. The HABC has established financing requirements, listed below, and may disapprove of the proposed financing if the HABC determines that the debt is unaffordable. The HABC will prohibit the following forms of financing:</p> <ul style="list-style-type: none"> • Balloon payment mortgages 	<p>19-9</p> <p>19-10</p> <p>19-11</p>	<p><u>HABC Search and Purchase Requirements</u> [24 CFR 982.629]</p> <p>The HABC has established the maximum time that will be allowed for a family to locate and purchase a home. The family's deadline date for locating a home to purchase will be 120 from the date the family's eligibility for the homeownership option is determined. The family must obtain financing for the home within 120 days of the eligibility date for the homeownership program is determined. The family must purchase the home within 180 calendar days of the date eligibility for the homeownership program was determined.</p> <p>The HABC will not require periodic reports on the family's progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time limit, <u>the family will remain on the rental program. The family must wait six months from the original expiration date of eligibility before re-admission to the homeownership program is granted. The family must submit a written request for re-admission to the Homeownership Program. If the family can document extenuating circumstances that arose beyond their control that prevented participation at the initial offering of homeownership assistance, a waiver of the six-month response period for homeownership participation may be granted. Such documentation must be submitted in writing to the Homeownership Coordinator.</u></p> <p><u>Inspection and Contract</u> [24 CFR 982.631]</p> <p>In addition to the HQS inspection and the independent inspection, the participant must have a Lead Paint Risk Assessment Test conducted on the home prior to homeownership assistance being provided. The unit must receive a rating of "Lead Free" or "Lead Safe" in order for the homeownership subsidy to be approved for the unit.</p> <p><u>Financing</u> [24 CFR 982.632]</p> <p>The family is responsible for securing financing. The HABC has established financing requirements, listed below, and may disapprove of the proposed financing if the HABC determines that the debt is unaffordable. The HABC will prohibit the following forms of financing:</p> <ul style="list-style-type: none"> • Balloon payment mortgages • Variable interest rate loans • <u>Interest only loans</u>

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<ul style="list-style-type: none"> • Variable interest rate loans • Seller financing on a case-by-case basis <p>The HABC will require a minimum cash down payment of 3% percent of purchase price with 1% to be paid from the family's own resources.</p> <p><u>Continued Assistance</u> [24 CFR 982.633]</p> <ul style="list-style-type: none"> • Homeownership assistance may only be paid while the family is residing in the home. The family or lender is not required to refund homeownership assistance for the month when the family moves out. • The family must comply with the following obligations: • The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt. • The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551 (h) and (i). • The family must supply information to the HABC or HUD as specified in CFR 982.551(b). The family must further supply any information required by the HABC or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses. • The family must notify the HABC before moving out of the home. • The family must notify the HABC if the family defaults on the mortgage used to purchase the home. • No family member may have any ownership interest in any other residential property. • The family must attend and complete ongoing homeownership counseling. • Before commencement of homeownership assistance, the family must execute a statement in 		<ul style="list-style-type: none"> • <u>Seller financing</u> • <u>Second mortgage financing or Equity Lines of Credit</u> • Refinancing with Cash Out Option <p>The HABC will require a minimum cash down payment of 3% percent of purchase price with 1% to be paid from the family's own resources.</p> <p><u>Continued Assistance</u> [24 CFR 982.633]</p> <ul style="list-style-type: none"> • Homeownership assistance may only be paid while the family is residing in the home. The family or lender is not required to refund homeownership assistance for the month when the family moves out. • The family must comply with the following obligations: • The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt. • The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551 (h) and (i). • The family must supply information to the HABC or HUD as specified in CFR 982.551(b). The family must further supply any information required by the HABC or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses. • The family must notify the HABC before moving out of the home. • The family must notify the HABC if the family defaults on the mortgage used to purchase the home. • No family member may have any ownership interest in any other residential property. • The family must attend and complete ongoing homeownership counseling. • Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option. • <u>In order to continue receiving assistance under the</u>

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<p>which the family agrees to comply with all family obligations under the homeownership option.</p> <p><u>Homeownership Assistance Payments and Homeownership Expenses</u> [24 CFR 982.635]</p> <p>Some homeownership expenses are allowances or standards determined by the HABC in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home. Homeownership expenses include:</p> <ul style="list-style-type: none"> • Principal and interest on mortgage debt. • Mortgage insurance premium. • Taxes and insurance. • The HABC utility allowance used for the voucher program. • The HABC allowance for routine maintenance costs of up to \$100 per month based on the size of the home. 	<p>19-13</p>	<p><u>homeownership option (excluding elderly/disabled families), the head of household or other adult member who will own the home must remain continuously employed.</u></p> <ul style="list-style-type: none"> • <u>The family must notify HABC of any adverse employment changes immediately. If the participant is separated from his/her employment and refuses employment counseling and/or training, HABC in its discretion may terminate the homeownership assistance immediately.</u> • <u>If the head of household or adult family member who owns the home is separated from his/her employment for a period of up to 60 days (excluding elderly or disabled families), the homeownership assistance to the family will continue with Baltimore Housing paying a higher subsidy to the family. Upon the expiration of a period of up to 60 days, the family must pay 30% of the monthly mortgage payment regardless of employment status. HABC will offer temporary homeownership assistance to a family separated from employment only once in a 24-month period.</u> • <u>In order to continue receiving assistance under the homeownership option (excluding elderly/disabled families) the family must maintain the same level of employment upon entering the program as well as following any period of re-employment.</u> <p><u>Homeownership Assistance Payments and Homeownership Expenses</u> [24 CFR 982.635]</p> <p>Some homeownership expenses are allowances or standards determined by the HABC in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home. Homeownership expenses include:</p> <ul style="list-style-type: none"> • Principal and interest on mortgage debt. • Mortgage insurance premium. • Taxes and insurance. • The HABC utility allowance used for the voucher program. • The HABC allowance for routine maintenance costs

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<ul style="list-style-type: none"> Principal and interest on debt for improvements. 	19-14	<ul style="list-style-type: none"> Principal and interest on debt for improvements. <p><u>To further assist our participants successfully keep their home in good repair, HABC will allow each participant to voluntarily contribute to the “Maintenance Expense Escrow” and the “Major Repair/Replacement Escrow.” The Maintenance Expense Escrow will be used to purchase a home warranty on the property to cover minor repairs for the first five (5) years. The cost of the policy is escrowed in one-twelfth monthly increments annually. The Major Repair/Replacement Escrow is for large-scale repairs not covered under a home warranty. Each home is individually assessed to determine the escrow amount needed for future repairs or emergency repairs that arise and is escrowed in one-twelfth monthly increments annually.</u></p> <p><u>Each participant that agrees to utilize one or both the escrow account(s) will execute an ACKNOWLEDGEMENT OF WARRANTY AND MAINTENANCE ACCOUNTS, which authorizes HABC to deduct the escrow amount(s) from the subsidy payment and hold the amount in an administrative account for future use. Upon submission of an invoice from the home warranty company, HABC will disburse a check to the participant to pay the bill. For repairs under the Major Repair/Replacement escrow, participant will submit at least 3 written estimates from licensed contractors for the repair in question. Participant will select one of the three contractors to repair the defect. Participant will execute a statement indicating the work was completed in a satisfactory manner and with no outstanding issues unresolved. Upon receiving the signed statement from the participant, HABC will disburse a check to the participant for the full cost of the repair(s). Participant is responsible for submitting to HABC an original receipt indicating the job was paid in full within 10 days of the jobs completion. HABC will make a copy of the receipt and return the original to the participant.</u></p> <p><u>Resale Provisions</u></p> <p><u>If the family sell the home within the first five years of occupancy, HABC will recapture 100% of the appreciation on the home. If the family sells the home after the fifth anniversary of the sales date, HABC will recapture decreasing percentages of the appreciation as follows:</u></p> <ul style="list-style-type: none"> <u>First five years</u> <u>100% of the appreciation</u>

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<p><u>Moving With Continued Assistance</u> [24 CFR 982.637]</p> <p>A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.</p>		<ul style="list-style-type: none"> • <u>6th year through 7th year</u> 50% of the appreciation • <u>8th year through 9th year</u> 30% of the appreciation • <u>10 year</u> 20% of the appreciation • <u>Beyond the 10th year</u> 0% of the appreciation <p><u>Moving With Continued Assistance</u> [24 CFR 982.637]</p> <p>A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home. <u>A family utilizing the homeownership option must reside in the unit for a period of 5 years before approval to move to another unit is granted in writing from HABC. In the event an elderly/disabled family requests approval to move, a decision will be granted on a case-by-case basis.</u></p>
<p>SELECTION OF FAMILIES FOR PARTICIPATION IN THE HOMEOWNERSHIP PROGRAM</p> <ul style="list-style-type: none"> • Applicants for Homeownership may only be selected from the HABC HCVP Waiting List • HABC may operate a separate homeownership waiting list and all tenant-based applicants who seek homeownership may be placed on the homeownership list upon request and without penalty to any other pending application for assistance. • Qualified applicants (income eligible working families, disabled families, and elderly families) will be offered the homeownership option and placement on the homeownership waiting list. 	19-15	<p>SELECTION OF FAMILIES FOR PARTICIPATION IN THE HOMEOWNERSHIP PROGRAM</p> <ul style="list-style-type: none"> • Except for Flag Priority Buyers and AHI Priority Buyers, applicants for Homeownership may only be selected from the HABC/HCVP Waiting List • HABC will operate a separate homeownership waiting list and all tenant-based applicants who are income eligible will automatically be placed on the homeownership list without penalty to any other pending application for assistance.

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Chapter 20: PROJECT-BASED ASSISTANCE PROGRAM

No policy	20-2	<p><u>E. LONG TERM AFFORDABLE HOUSING UNITS</u></p> <p>HABC may create long-term affordable housing units using project-based vouchers to comply with requirements to create units that are compliant with the Uniform Federal Accessibility Standards and units to house non elderly persons with disabilities in accordance with HABC's obligations under the Bailey Consent Decree. The terms "long term affordable housing units" and "non elderly persons with disabilities" are defined in the Bailey Consent Decree. Since the Bailey Consent Decree requires the long term affordable housing units to be equivalent to public housing units with regard to the rights, benefits and privileges provided to the leased family, the long term affordable housing units are not subject to 24 CFR Part 983.</p> <p>Notwithstanding the provisions under paragraph B above regarding eligibility for a project-based voucher, eligible applicants offered the long term affordable housing units will be referred from the HABC Public Housing Waiting List.</p>
No policy	20-3	<p><u>E. NEW PROJECT-BASED UNITS CRITERIA</u></p> <p>HABC has identified projects that require project-based assistance in order to serve special populations and/or to retain such units as affordable housing. Consistent with the HUD/HABC Moving to Work initiative, HABC may enter into a project-based HAP contract for projects that meet the following criteria:</p> <ol style="list-style-type: none"> Target Population: (A) At risk youth between the ages of 18-24, seeking permanent housing with the expectation that tenants will achieve independence in a matter of 2-3 years. (B) Individuals or families that require enhanced services. Units Covered: Up to 100% of the units in the building and/or project will utilize project base assistance as long as the project meets the requirements under paragraph 3 of this Section. Services: Projects seeking 100% project based assistance will be required to provide comprehensive social services to the targeted tenant population. Such services may include: <ul style="list-style-type: none"> • Creation of individualized service plan

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		<p>(“ISP”) that outlines self-sufficiency goals.</p> <ul style="list-style-type: none"> • Support partnerships with agencies and other programs to compliment the (“ISP”) • Community and relationship building to create family-like support systems • Case management with supported referrals • Support needed to guide older adolescents through the stage of development and successfully launch them into adulthood. • Crisis Intervention • Promotion of healthy behaviors • Life Management skills such as budgeting, saving, shopping, communication, cooking, nutrition and conflict resolution. • GED/ESL, Literacy and job training, job readiness, career planning and placement • Medical screenings • Mentors and Tutoring • Mental health assistance, such as treatment for substance abuse, trauma and/or depression and medication management.
No policy	20-4	<p><u>F. NEW PROJECT BASED UNITS UNDER MTW</u></p> <p>HABC reserves the right to identify units to receive project based assistance, to develop the rules applying to these units and to assign funding for these units, consistent with the HUD/HABC Moving to Work initiative.</p>

APPENDIX SEVEN: SUMMARY OF CHANGES TO THE SPECIAL ADMINISTRATION PROGRAM

Changes to Special Administrative Plan

Page #(s)	Change	Letter to HUD
2,3	Non-substantive changes indicating vouchers can only be used in Non-Impacted (“NI”) Areas & deleting superfluous language indicating Plan policies are based on current regulations	
5	Change eliminating limiting language re: methods of landlord outreach	
7	Substantive change indicating HABC has adopted exception payment standards	May 2005
8	Change indicating that MBQ will apply payment standard at least equal to FMR when participant moves to impacted census tract	
18	Changes “preliminary eligibility determination” to “determination of Thompson eligibility” to reflect what MBQ’s current process	
19	Clarifies that applicants who appeal denial by MBQ may present to HABC alternative documentation of HABC tenancy or application for public housing or voucher	
20	Provides exception to rule that participants may transfer from IHI to MBQ or vice versa only once to IHI families who transfer to MBQ because they are ready to move and there are no IHI units available.	
22	Changes time frame for performing updated income verifications from 60 days to 180 days.	This change has not been implemented yet. Letter to HUD will be necessary if decision is made to implement before Plan is approved.
25	Eliminates language stating that MBQ will wait until after assignment of families to one of the Programs to conduct briefing, reflecting current practice.	
28	Non-substantive change requested by Barbara Samuels that re-states in a different way the portability of the special vouchers.	
31.	Another statement regarding the adoption of the exception payment standards.	
33	Clarifies that rent reasonableness is performed	

Page #(s)	Change	Letter to HUD
	by MBQ, not IHI and that lease will not be approved until unit passes HQS inspection conducted by MBQ	
33	Deletes provision stating that MBQ will not pay late fees (this provision was included in Special Admin Plan included with MTW Plan submitted in 10/05 but because that Plan hasn't been approved, this provision was never implemented; MBQ is now deleting b/c of feedback from landlords who oppose this provision)	
33	Changes time frame for conducting first post move home visit to 30 days after of the move and indicates that follow-up phone calls will be conducted.	
34.	Indicates that post placement counseling services will be conducted in accordance with partial consent decree and MBQ and IHI contracts.	
35	Changes trigger for increases in TTP from date of change to date of notice of change.	
41	Adds as reason for termination from Program engaging in or threatening abusive or violent behavior towards IHI personnel.	
49 -50	In describing key elements of the PB program, makes another reference to exception payment standards; changes percentage of units available for PB S8 assistance from 25% to 20% in accordance with new PB regulations; deletes priority for proposals offering lease purchase opportunities (lease purchase program is being abandoned); adds ability to provide additional financial assistance to non-profits, etc. creating PB units for Program and reserves right to accept alternatives to traditional mechanisms for project basing units.	
50	For new construction/rehab PB units, clarifies that IHI, not HABC, will inspect units while under construction.	
51	States that PB S8 units may float.	Not yet implemented. Letter sent to HUD February 2007

Page #(s)	Change	Letter to HUD
		saying will be implemented effective 3/15.
52	Clarifies that HABC or MBQ will offer participants who live in PB S8 units for 12 months and then move voucher or comparable aid and that IHI will refer other families to fill PB S8 unit.	
52	Changes RFP end date to 8/31/08	
53	States IHI will accept proposals during period 9/1/06 – 8/31/08	
54	Emphasizes that one of Program goals for PB S8 portion of the Program is to diversify location of units and states that developers needing additional resources should identify them in their proposals.	
55	States application period is 9/1/06 – 8/31/08	
55	States that IHI will make recommendations to panel re: selecting proposals to PB units	
56	States that developers wanting additional resources must submit detailed financial pro-forma.	
57	Limits percentage of 1 BRs that IHI will approve to 10%	
58	Restates that only 20% (not 25%) of units in multi-family development may receive any form of voucher assistance and states that for single family units, priority will be given for units not near other assisted housing units.	
58 & 59	Indicates that IHI will provide post move assistance for at least 1 year after move-in	
59	Corrects reference to Special Admin Plan (v. ACOP)	
60	Indicates MBQ will enter into HAP contracts for PB S8 units upon approval of a proposal and won't wait for units to be available for occupancy; another reference to exception payment standards.	
61	States MBQ will determine initial rent and describes how; describes rent adjustment process	
64	States that if developer asks for additional financial assistance, IHI will review and make recommendations; HABC will make decision	
70-72	Deletes references to lease purchase program;	Lease purchase

Page #(s)	Change	Letter to HUD
	provides that HABC, in consultation with Thompson parties, may make changes to HO program and adds that families determined to have financial need for voucher assistance will participate in the S8 direct purchase program..	program was included in HO Plan submitted to HUD but HUD never approved LP portion of Plan. Letter will need to be sent to HUD to increase the # of direct Section 8 slots from 53 to 153.
75	Adds as grounds for an informal hearing, being denied assistance.	

APPENDIX EIGHT: SUMMARY OF CHANGES TO THE DWELLING LEASE, ACOP AND GRIEVANCE PROCEDURE

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Document	Subject	Change
Dwelling Lease: Section 1	Household Composition	Added new subsection 1(b) providing that Resident acknowledges that any person subject to a sex offender lifetime registration requirement is prohibited from being admitted to or residing in public housing.
Dwelling Lease: Section 2	Charges for Late Rent Payment and Returned Checks	<p>1. Revised subsection 2(e) to permit HABC to charge the Resident 5% of the rent due if the rent is paid after the 6th day of the month.</p> <p>2. The late rent charge shall be collectible as rent.</p>
Dwelling Lease: Section 5	Redetermination of Rent, Dwelling Size Eligibility	<p>1. Deleted the requirement in the first paragraph of Section 5 that Resident provide information for yearly recertifications.</p> <p>2. Revised section to require 30-day notice of rent increase instead of forty-five.</p> <p>3. Added subsection 5(d) to permit HABC to conduct interim exam when household size increases due to the addition of an adult household member approved by HABC.</p>
Dwelling Lease: Section 7	Transfer	<p>1. Renamed Section 7 "Transfer and Relocation"</p> <p>2. Revised section to require Resident to transfer because of reasons listed in the lease, e.g. demolition/disposition, 504 renovations and public action.</p>
Dwelling Lease: Section 9 Subsections 9(e) and 9(x)	Obligations of Resident	<p>1. Revised subsection 9(e) to require Resident to use unit as only residence.</p> <p>2. Revised subsection 9(x) to</p>

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Document	Subject	Change
		add that Resident is prohibited from making “material false statements” in addition to the prohibition against committing fraud in connection with federally assisted housing.
Dwelling Lease: Section 14	Termination of Lease	<p>1. Revised to insert language required by the Violence Against Women’s Act.</p> <p>2. Added that Resident’s failure to transfer or relocate in a timely manner is good cause for eviction.</p> <p>3. Clarified that the illegal possession of any weapon is good cause for lease termination.</p>
Dwelling Lease: Section 15	Lease Termination Notice	<p>Revised subsection 15(d):</p> <p>15(d)(2)F) clarifies that a 30 day lease termination notice may be issued for the seizure of an illegal weapon by a law enforcement officer</p> <p>15(d)(2)(G) permits issuance of a 30 day lease termination notice due to a violation based on a person subject to a sex offender lifetime registration requirement residing in public housing (the following section has been added to the HABC Grievance Policy, Section II: Applicability, as a non-grievable issue: Any lease violation relating to a person, who is subject to a sex offender lifetime registration requirement, residing in public housing).</p>
Dwelling Lease: Section 22	Waiver	Added new Section 22

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Document	Subject	Change
		providing that HABC can proceed with lease enforcement action even if the Resident signs a new lease, when the lease enforcement action involves criminal activity, illegal occupancy or actions against resident for failure to pay rent.
Dwelling Lease: Signature Page	Conflict Clause	<p>1. In case of a conflict between the Rider and the Lease, the Rider will control.</p> <p>2. Violations of the Rider are subject to Section 14 of the Lease regarding terminations.</p>
The Admissions and Occupancy Policy Book	Chapter 2: Eligibility for Admission (See ACOP pg. 2-9).	<p>Revised age from 18 to 14 at which criminal background check will be conducted.</p> <p>Deleted section on specific resources/agencies used to conduct criminal background checks.</p>
The Admissions and Occupancy Policy Book	Chapter 2: Eligibility for Admission (See ACOP pg. 2-15).	Added VAWA (Violence Against Women Act) provisions: VAWA provides that an individual's status as a victim of domestic violence, dating violence, or stalking will not be the basis for denial of admission or denial of housing assistance only so long as the applicant otherwise qualifies for housing.
The Admissions and Occupancy Policy Book	Chapter 3: Applying for Admission (See ACOP pg. 3-6).	When an applicant is offered and accepts housing assistance under any of HABC's programs, the household's application is considered satisfied and will be withdrawn from all HABC application waiting lists.
The Admissions and	Chapter 4: Tenant Selection &	Site-based waiting lists will be

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Document	Subject	Change
Occupancy Policy Book	Assignment (see ACOP page 4-4)	maintained at Reservoir Hill and Sharp Leadenhall (pending HUD approval).
The Admissions and Occupancy Policy Book	Chapter 6: Determination of Total Tenant Payment (see ACOP page 6-13)	Provides for increase in rent between regularly scheduled recertifications when the household size increases due to the addition of an adult household member approved by HABC.
The Admissions and Occupancy Policy Book	Chapter 7: Verification Procedures See ACOP PG. 7-5 AND 7-18 See ACOP pgs 7-18 and 7-19.	VAWA provides that HABC will accept (among other things) federal, state or local police or court records of applicant/resident status as a victim of domestic violence, dating violence or stalking. Deleted section, which required residents to provide self-certification regarding family members who have left the unit. Section now requires documented proof of new address for family members.
The Admissions and Occupancy Policy Book	Chapter 8: Transfers (see ACOP page 8-4).	Provision added to state non-elderly persons with a disability would not be required to move from a designated unit if they lose non-elderly or disabled status.
The Admissions and Occupancy Policy Book	Chapter 9: Leasing See ACOP page 9-3. See ACOP page 9-3	Added provision in the event an approved household member is added to the lease, HABC will complete an interim reexamination, and Resident's rent may be increased as a result, prior to the next Annual Review. Now provides that household additions due to court-awarded custody of children under the age for which juvenile justice records are

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Document	Subject	Change
	See ACOP pg 9-6	<p>available are not subject to screening.</p> <p>Revised section to permit HABC to charge the Resident 5% of the rent due if the rent is paid after the 6th day of the month.</p>
The Admissions and Occupancy Policy Book	<p>Chapter 12: Reexaminations See ACOP pg. 12-4</p> <p>See ACOP page 12-5</p> <p>See ACOP page 12-9</p>	<p>Provides that HABC will process an increase in rent between regularly scheduled recertifications when the household size increases due to the addition of an adult household member approved by HABC.</p> <p>Provides for effective date of reexamination in the event of tenant delay/misrepresentation and in the event of HABC error or delay.</p> <p>Provides that the family must inform the HABC and request approval of additional family member when marriage is cause of addition to the lease. Also provides that HABC will conduct a pre-screening of family members added to the lease because of marriage. This change was made for consistency with page 9-3, Section D.1 of ACOP.</p>
The Admissions and Occupancy Policy Book	Chapter 13: Lease Terminations (See ACOP pgs. 13-1 through 13-6 and 13-11.	VAWA provides that an individual's status as a victim of domestic violence, dating violence, or stalking will not be the basis for denial of admission or denial of housing assistance. Likewise, one incident of actual or threatened domestic violence, dating violence or stalking

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Document	Subject	Change
		will not qualify as a serious or repeated violation of the lease or good cause for terminating the assistance, tenancy, or occupancy rights of the victim as under the "One Strike" policy.
The Admissions and Occupancy Policy Book	Chapter 14: Complaints, Grievances and Appeals See ACOP page 14-4 and 14-5.	Added new language providing that residents may not grieve any lease violation relating to a person, who is subject to a sex offender lifetime registration requirement, residing in public housing.